




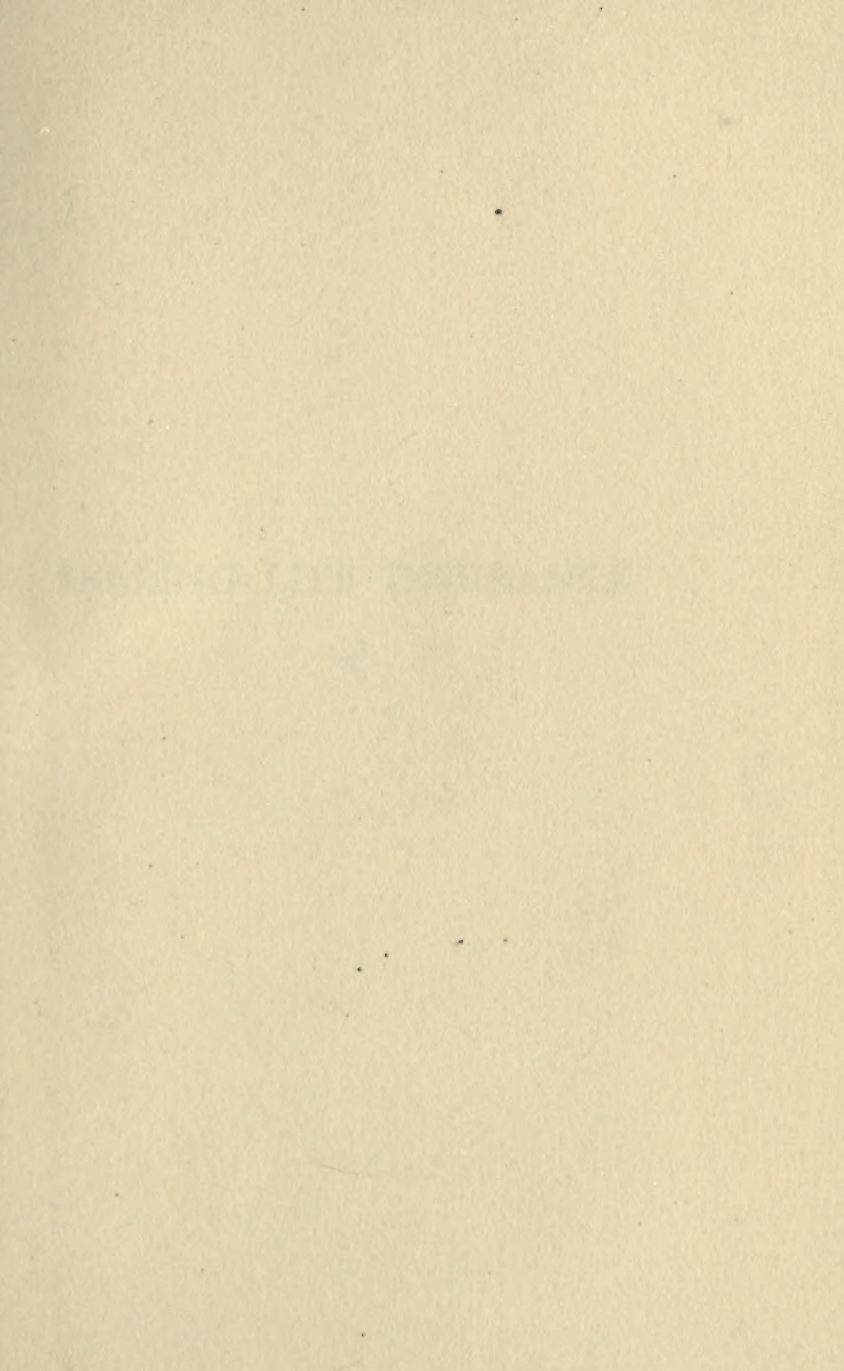
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SELLING LIFE INSURANCE

JOHN ALFORD STEVENS



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SELLING LIFE INSURANCE

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SELLING LIFE INSURANCE

John Alford Stevenson

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MEETING OBJECTIONS

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THE HOUSE OF PROTECTION

Griffin M. Lovelace

ANALYZING LIFE SITUATIONS FOR INSURANCE NEEDS

Griffin M. Lovelace

LIFE UNDERWRITING AS A CAREER

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SELLING LIFE INSURANCE

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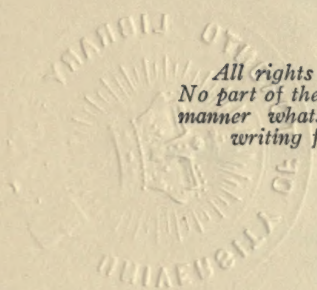
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SELLING LIFE INSURANCE

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M-H

This book is dedicated to those two distinguished brothers, Edward A. Woods and Lawrence C. Woods, who have so generously shared with all, their experiences in professional life underwriting.

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PREFACE

THIS book has been written for the sole purpose of presenting in a simple and straightforward manner the most modern and most effective practices in life underwriting.

The underlying plan of this book follows very closely the course in "Practical Salesmanship" given by the writer while Director of the School of Life Insurance Salesmanship at the Carnegie Institute of Technology, Pittsburgh, Pennsylvania.

A careful reading and study of the book will show very clearly the underlying theory of the strategy of selling. However, the major emphasis is placed upon selling suggestions, selling plans, and methods of procedure which have proved highly successful in life underwriting.

The book may be used as a textbook in schools of life-insurance salesmanship, in the weekly meetings of local agencies, and as a basal or reference text in correspondence courses. Also, the writer has constantly had in mind another group of readers and users—the men who are selling life insurance every day and who do not have the opportunity of obtaining help, other than that which they can give themselves.

If the writer were to take the time and space to note the different individuals who have helped him either

directly or indirectly in the preparation of this book, he would probably be compelled to compile a "Who's Who in Life Underwriting" instead of writing a preface to "Selling Life Insurance." Even though it is quite impossible to list all the individuals who have assisted, credit must be given to the faculty of the Carnegie Institute of Technology, the National Association of Life Underwriters, the Life Agency Officers Association, and the life-insurance journals. The two associations have rendered invaluable service and co-operation in establishing the School of Life Insurance Salesmanship at the Carnegie Institute of Technology. The insurance journals have probably done more to stimulate interest in the education and training of those who enter the profession of life underwriting than any other agency. The writer wishes to praise in the loudest terms those splendid and fearless journalists who advocated training when it would have been far more popular to have ignored this movement. Without this magnificent help, the training idea could not have succeeded.

Specific mention must be made of the inspiration, efficient help, and true idealism in life underwriting which the writer has received from his former co-worker, Griffin M. Lovelace. It is sometimes difficult to determine who has given the most help. In this case the writer finds no difficulty in naming Mary F. Barber. She has rendered invaluable help in connection with the planning, organization, and writing of this book.

Wherever possible, credit has been given for specific help; where credit has not been given, owing to the impossibility of tracing the sources of certain sugges-

tions, the writer here wishes to acknowledge the help which he has received.

It is the sincere wish of the writer that the members of the insurance fraternity should find concrete suggestions in this book, but most of all he hopes that he has made some contribution toward a better understanding of what is involved in life-insurance selling and toward creating a spirit of genuine idealism in the great profession of life underwriting.

J. A. S.

SELLING LIFE INSURANCE

SELLING LIFE INSURANCE

I

SALESMANSHIP

EVERY person should have some knowledge of the principles of salesmanship. A man may have marvelous mechanical skill, he may have a tremendous fund of knowledge, he may have exceptional artistic or intellectual ability, but if he is not able to sell his skill, his knowledge, his ability, is not able to make others believe in what he has to offer, he lessens his chances of success.

Columbus's idea of a waterway to the East would never have placed his name within the covers of our American histories if he hadn't been able to sell that idea to Isabella. Washington's military skill would have aided the cause of American independence very little if he hadn't been able to make his troops believe in his ability to direct campaigns. Marconi had to convince people of the feasibility of his plans before the results of his experiments were of value to the world. All these have sold different sorts of commodities and have sold them in different ways, but their great accomplishments have hinged upon salesmanship.

Some one has defined salesmanship as making others feel about your proposition as you feel about it. This

is probably correct in a broad sense, but for practical purposes we shall limit the meaning of the word and define salesmanship as *the art of presenting the advantages of an offer in a way which makes a direct appeal and tends to prompt action.*

Too many of us think of the ability to sell goods as something like that "charm" that the playwright Barrie writes of: "If you have it nothing else matters; if you haven't it—well, nothing else matters, either." No one would attempt to deny that there are certain persons born with certain characteristics, possibly having certain hereditary tendencies, which make it easier for them to sell than for certain other persons. But it is not invariably, not even usually, the man who can sell without effort, "the spellbinder," whose records are noted in the front pages of salesmanship journals. The so-called natural-born salesman too often fails in the race for success because he has relied too much on his natural ability and has been unwilling to spend time and effort in learning the fine points of selling.

Perhaps we would be making too broad a statement if we said that anyone could learn to sell. But those persons are few and far between who have not enough natural ability to serve as a foundation on which to build selling ability.

Scientific research may in time reveal the particular group of qualities that will make the hundred-per-cent salesman. Some progress has been made, but we are still much in the dark. The most thorough investigation, however, fails to reveal any one trait, or limited number of traits, which will guarantee a man's success in selling. Most certainly, intelligence, good char-

acter, and industry make for success in salesmanship as they would make for success in any business or profession. The man with initiative, the man who finds something to do and does it without having some one suggest it, will outdistance the man without initiative. Moreover, a quality such as creative imagination—the ability to see the big possibilities in the work you are doing and to construct plans for the carrying out of those possibilities—might possibly make the difference between the mediocre salesman and the first-class salesman. But these qualities would make the difference between the first-rate and the second-rate lawyer, the first-rate and second-rate teacher, or the first-rate and second-rate member of any profession. A salesman may achieve distinction through the possession of one of these qualities, but we can name no one of these qualities as the particular distinguishing mark of the successful salesman, any more than of the successful doctor or of the successful author.

Many successful salesmen have listed the qualities which in their opinion made for success. Most of them, however, do not attempt to say, "This and that are responsible for my success," but they have told us what worked and what did not. Their experiences differ, of course, and from them we can develop no fixed set of rules for life-insurance selling. There are qualities, however, which most of them consider necessary and which we may list as *assets* if not as *essentials*.

KNOWLEDGE OF YOUR SUBJECT

There is no excuse to-day for starting out to sell life insurance with an inadequate knowledge of the sub-

ject. Thorough courses in life-insurance selling are provided in the various schools of life-insurance salesmanship. Many companies provide excellent courses and adequate educational material for those who wish to avail themselves of the information. What is more, you can't last very long in the race with the trained man if you don't prepare yourself. This is the beginning of a new era in life-insurance selling. Success for the untrained salesman is becoming increasingly difficult. To-morrow will see a new type of insurance representative—a type thoroughly trained in the arts and practices of professional life underwriting.

"It is a simple thing to build a stone boat," says Norval Hawkins in *The Selling Process*. "It is difficult to make a motor truck. One does not have to study hard to learn how to construct the crude sledge, but a great deal of knowledge must be acquired laboriously before one is able to make a motor truck. The fellow who starts to build a stone boat gets it finished quickly and begins moving loads long before the man who is making a motor truck completes his preliminary hard task. Very likely the fellow with the stone boat will give the man making the motor truck the horse laugh as he piles up the loads day by day. Maybe the man laboring over his preparations to possess a motor truck will grow impatient when he sees the results of the other fellow's work. But if he sticks to his determination and completes his motor truck, it will be his turn to laugh."

By harder work at the start he makes his work easy ever afterward, and he can travel a far greater distance.

A remarkably successful life-insurance salesman was asked to explain to what he attributed his success. His reply was, "This one thing I know—life insurance." When you "know" life insurance you have studied life insurance so thoroughly that your prospect can rarely ask you a question which you can't answer. You have studied the principles of life insurance in general and the various purposes which it is designed to serve. You have studied the needs of prospects in general and how your company's policies provide for those needs. You have a working knowledge of the policies of companies other than your own.

Many valuable and readable books have appeared during the past few years on the subject of life insurance—on the principles of life insurance, functions of life insurance—books on various phases of life insurance such as business insurance and income insurance, and books on selling methods, which, if you read them carefully, will give you a comprehensive view of your subject, which, in turn, will prove to be one of the most important stones in building a salesmanship career.

Every field man should devote not less than an hour a day to reading on some subject related to life insurance, possibly a recent edition of a good insurance journal or a book on inheritance tax or business insurance. Subscribe to at least two good insurance journals. They keep you up-to-date and tell you what is happening in the insurance world. They tell you what other companies are doing and what methods other agents are using which may be the very methods which will boost your sales.

IMAGINATION

Just what do we mean by imagination? "Imagination," says Lorin F. Deland in his *Imagination in Business*, "is the synthesis of the mind; that is, the opposite of analysis. It is the putting together of things into a compound, not the separation of a compound into its parts. It is the relating of one thought or object to another and different one; or, rather, the relating of separate elements or objects."

Take a simple illustration which Mr. Deland gives of the relating of one thing to another in business.

Let me tell the story of two bootblacks. We can scarcely go lower in the business scale. These two boys, of about the same age, I found standing, one Saturday afternoon, on opposite sides of a crowded thoroughfare in Springfield. So far as could be judged, there was no preference between the different sides of the street, for an equally large crowd seemed to be moving on both sides. The bootblacks had no regular stand, but each had his box slung over his shoulder, and, standing on the curbstone, solicited the passers-by to stop and have a shine. Each boy had one "call," or method of solicitation, which he repeated at regular intervals. The two solicitations were entirely different, but each was composed of four words. They never varied them. Yet one of these boys, by the peculiar wording of his solicitation, secured twice as much business as the other, so far as one could judge, and I watched them for a long time.

The cry of the first boy was, "Shine your boots here." It announced the simple fact that he was prepared to shine their boots. The cry of the second boy was, "Get your Sunday shine!" It was then Saturday afternoon, and the hour was four o'clock. This second boy employed imagination. He related one attraction to another; he joined facts together; his four simple words told all that the first boy said, and a great deal more. He conveyed the information, not simply that he was there to shine shoes, but that

to-morrow was Sunday; that from present appearances it was likely to be a pleasant day; that he, as a bootblack, realized they would need an extra good shine; and, somehow, the sentence had in it a gentle reminder that the person on whose ears it fell had heretofore overlooked the fact that the next day was the Sabbath, and that any self-respecting Christian would wish his shoes shined before he repaired to the sanctuary. Perhaps it was merely good luck that this boy secured twice the business of the other, but I have seen too many of such experiences to think of them as accidental.¹

Imagination is at the root of nearly every buying impulse, and the good selling talk is the selling talk that stirs the prospect's imagination. But unless your own imagination is active you can't hope to get very far in devising plans to move your prospect.

Much has been said and written about that quality known as imagination—about whether it can or can't be cultivated. For our immediate purposes, it isn't necessary to decide whether the creative type of imagination, known as genius, is a heaven-sent quality or not. But we are concerned with the problem of how to stimulate the mind to originate ideas, and this is entirely possible.

Your mind, like your body, often grows lazy, and what you consider lack of ideas is merely mental lethargy which can be overcome by mental setting-up exercises—mere mechanical stunts to stimulate the imagination.

A man in the advertising world who was considered something of a wizard at originating ideas was interviewed on the subject of how it was possible to "hatch out ideas while you wait."

¹ Deland, *Imagination in Business*. Harper & Brothers.

"If any man in the advertising business has any more trouble digging out ideas than I have," he said, "I'd like to meet him! I have to resort to all sorts of mechanical tricks. One is to conduct a little four-cornered imaginary conversation among my wife, myself, a mutual friend—either a man or a woman, depending on the sort of idea I am after—and a fourth party who is a stranger to my wife and me. I start off the conversation by saying something to lead up to the product or problem I have in mind. Then my wife says something, then perhaps the stranger speaks, and then the friend.

"You see, I try to think what these people will say. I try to get their viewpoints and forget that I know anything about the proposition when I'm talking for them. From many years of living with my wife I know about what she will say; and I know something about what our friend will say. But the stranger is always a puzzle. He—or she—asks the most naïve, embarrassing, disconcerting questions at times—questions that perhaps I've been fighting off asking myself, or perhaps he or she will make some utterly ridiculous statement that will show me that I've been taking too much for granted.

"Very often when I get into one of these imaginary conversations I get so far out of the picture and get the others' viewpoints so completely for conversational purposes that I get a new perspective on the problem, some angle that I'd never in the world have thought of in the light of my own knowledge."¹

¹ R. M. Rhodes, "Ideas and the Spirit Board of Directors," in *Printers' Ink*, February 19, 1920.

Assuredly, if in any part of the commercial world imagination is needed, it is in the advertising field. And if a leader in this field can stimulate his mind to originate selling points for printing, you can stimulate your mind to originate ideas for the selling talk.

If you have difficulty in stirring the prospect's imagination, your own imagination is probably at fault, so try to rouse it by similar mechanical devices. Talk out the question with him during an imaginary interview.

Especially if you are just beginning, you can picture many more things that Mrs. Smith would do with her lump sum or her life-income policy or that John Smith, Jr., can do as a result of an educational policy when you are by yourself, with nothing to disturb your thoughts, than when you are face-to-face with a prospect and have to listen to what he is saying and to plan the appropriate reply.

APPEARANCE

Lord Chesterfield in one of the famous letters to his son said: "All your Greek can never advance you from envoy to ambassador, but your dress, your air, your manner, if good, may," which being translated into modern life-insurance terminology means that you may know a great deal about life insurance, but not be able to sell it because your prospects don't like your appearance or your manner.

You needn't appear attired like "Solomon in all his glory" when you start out for an interview, but we are not exaggerating when we say that a suit sent to the tailor's for pressing and one not sent may mean

the difference between an application sent to the home office and one not sent. And if the application was for a goodly amount, you can figure out for yourself who is the loser and for how much.

If you want to play the role of the successful business man (and nobody wants to do business with a man who isn't) it is just as necessary for you to appear at a man's office attired as a successful business man as it is for one of Belasco's heroes to appear on the stage correctly costumed. You'll have much less trouble getting by secretaries if you "look the part." If you're not stopped by a secretary, you stand a much better chance of making a sale if no dusty or ill-fitting clothes, muddy shoes, or smudgy linen divert the attention of the prospect from what you are selling to what you are wearing.

Most big business men frankly state that no matter how attractive a salesman's proposal or how clever his approach, they will not do business with him if a frayed collar or run-down heels indicate that he has not given sufficient preparation to the interview to be sure that his appearance will not detract from their opinion of what he is presenting.

The average life-insurance salesman is not "on the job" so early and so late that he hasn't time to pay attention to the little things which go to make up a man's appearance. Be careful of your hands, for instance, for they are constantly under the prospect's eye. It is highly desirable to make certain that your finger nails are well kept.

No department-store head could afford to have his clerks present an untidy or shabby appearance, even

if they were selling a commodity as relatively unimportant as candy. And when you are presenting something of as great importance as the idea of creating an estate, how much more important is it that your appearance should be absolutely correct!

MANNER

It would be quite as absurd to prescribe the correct standard manner for all salesmen as to line up some peacocks, some ducks, and some canaries and try to teach them all to adopt the same walk. Your manner is your own, and if you are naturally serious and quiet you can't slip into a hail-fellow-well-met attitude for selling. But no matter what your general manner, you can develop the quality of courtesy.

"True courtesy," some one has said, "consists in making a certain effort to see that what we say and what we do make people pleased not only with us, but with themselves." You are playing safe if you follow this rule, no matter who your prospect is. If you observe the ordinary social conventions and at the same time take the trouble to show the prospect that you have come to be of real service, you needn't worry much about your manner.

If you walk into a prospect's office and he doesn't offer to shake hands—all right, don't. But if he does make a move toward shaking hands, don't offer him a lifeless hand—*shake hands*. And when you say "Good morning," think what you are saying. Don't utter the words like a parrot.

Be sure to get the prospect's name right. A successful bond salesman attributed some very large sales to

the fact that of two men in the same company who spelled their names Houston, he always remembered which one preferred the first syllable pronounced like the word house and which liked it to rhyme with truce. It is little attentions like these that flatter the prospect's sense of self-importance and balance the scales in your favor.

SELF-CONFIDENCE

It seems rather absurd, but it is true, nevertheless, in the case of many insurance salesmen, that the man who went "over the top" with no thought of fear literally trembles at the mere thought of entering a perfectly ordinary office in a civilized community. What he is afraid of is not so much the prospect, but of what he himself will say or what he will do. After the "good morning" is over he has much the feeling of a man suddenly called on to make a speech who is unprepared. In most cases the remedy is perfectly simple. Don't be unprepared. A man should not enter an office unless he knows what he is going to say after the "good morning" is over, or, better still, unless he has a number of things from which he can pick and choose. This all comes back, of course, to the remarks on "know your subject." The college student is seized with no fear of entering an examination room if he is thoroughly "up" on his subject. He has that "gone" feeling only when he has not purchased the textbook for the course until the night before.

We are all aware, of course, that the bodily attitude, the muscular set, has a certain effect on the mental attitude or mental set. If a man is discouraged, another

man slaps him on the back and says, "Cheer up, old man, the worst is yet to come." He feels better not so much because of any particular encouragement in the words, but because the slap on the back forced him to throw back his shoulder muscles and assume an attitude of courage. Frown and you'll feel cross; turn up the corners of your lips and you'll feel agreeable; throw back your shoulders and hold up your head and you'll feel courageous. It is in reality your fear of being dominated by the prospect which makes you fear him. Take the physical attitude of domination and it will do much toward giving you the mental attitude.

PREPARATION

When you start on your selling talk, it isn't necessary to try any flights of oratory. Your prospect is a busy man and wants to know as quickly as possible what your business is and how it will affect his business. State what you have to say clearly, simply, and logically.

You can't do this without preparation. The actor who plays the part in the most true-to-life way is usually the actor who has put most time into rehearsals. Very few after-dinner speakers can say anything worth while without a certain amount of preparation. So it is unreasonable to expect that the inexperienced salesman can deliver even the simplest selling talk without considerable preparation.

ENERGY

It may be that you are naturally energetic. If you are, so much the better. If you aren't, force yourself

to stick to a certain schedule until that amount of work becomes a habit. It would be out of the question for us to suggest a uniform schedule for life-insurance salesmen, but put this question to yourself, "If I were employing a man to do this work, would I employ myself?" If you answer the question honestly, you can decide for yourself whether or not you are putting in enough time. A report which covered eight weeks of satisfactory work on the part of a salesman in a comparatively new field is included here in order that you may compare it with your own schedule:

1.	Number of hours soliciting.....	357½
2.	" calls made.....	492
3.	" interviews secured.....	139
4.	Amount of insurance written.....	\$43,000
5.	Average daily number of hours soliciting.....	7.45
6.	" " " " calls made.....	10.25
7.	" " " " interviews secured.....	2.90
8.	Estimated value of time soliciting per hour.....	1.52
9.	" " " " calls made.....	1.10
10.	" " " " interviews secured.....	3.90
11.	" " " " day's work.....	11.29

Whether you are naturally energetic or not, you will find it worth while, especially if you are beginning your career, to act as your own personal time clock and to watch carefully if the record begins to show red marks. Remember the only time which counts is the time you spend with a potential client explaining life insurance. The time you spend in the office, the time you spend on street cars going to see prospects, the time you spend in outer offices, does not return many dividends. The only minutes which count are those spent in the presence of potential buyers. Check yourself daily and don't pretend you have done a hard day's work

unless you have spent a satisfactory number of minutes in the presence of prospects.

HEALTH

The fact that lack of energy is so often caused by a poor physical condition is so widely recognized that most large organizations require a physical examination before employing even an office boy. Moreover, they go to tremendous expense to see that everything possible is provided in the way of medical attention and recreation facilities in order that their employees may remain in good physical condition—not only because absence interrupts the business schedule, but because poor health means poor work.

In a sense, you are the head of your own business and you must look out for the health of the most valuable employee—yourself.

Sleep.

See that you get enough sleep. In a list of "Hints for Telephone Operators" it was suggested that eight hours' work and eight hours' sleep was a good schedule, but that it was a poor idea for these to be the same eight hours, and we might pass this suggestion on to you. In other words, get enough sleep so that you will be alert when you are at work.

Food.

It is probably unnecessary to advise the average man to get plenty of food. But if you lack "pep" and don't know why, be sure that you are getting enough of the right kinds of foods, for nobody wants to talk to, let

alone buy from, a listless, anæmic salesman. Even see a doctor if necessary.

Recreation and Exercise.

All work and no play may make Jack a dull boy, and will surely make him a poor salesman. The ability to sell is the ability to understand human nature, and you can't understand human nature unless you meet people and mix with human beings.

If you do much "pavement pounding" you may get enough exercise from the physical standpoint, but get a hobby. It doesn't make any difference whether the hobby is tennis or baseball or books, as far as recreation is concerned, but if you can't think or talk anything but business, get *some* hobby that will turn the current of your thoughts.

PRACTICE WHAT YOU PREACH

You may have seen the remarks of the great railroad magnate, James J. Hill, on the subject of thrift. "If you want to know whether you are destined to be a success or failure in life," he says, "you can easily find out. The test is simple and infallible. Are you able to save money? If not, drop out. You will lose; the seed of success is not in you." These are not soft words, but they are words which every life underwriter should take to heart.

By virtue of the profession which you have chosen, you are necessarily a teacher and promoter of thrift, but you can't talk thrift to people unless you at least know how to be thrifty yourself. If you suggest that a prospect could save such-and-such an amount in order

to create an estate for his family, he is perfectly justified in saying, "Do you save that percentage of your income?" And you know how much weight your advice will carry if you answer in the negative.

There are numerous methods of saving, of course, but you'll never travel very far on the road of life-insurance selling if you aren't "sold" yourself enough to believe that life insurance provides the best means of saving money. No salesman can put much real "punch" into a selling talk on life insurance if in the back of his mind is a lurking fear that the prospect will ask, "How much insurance do you carry?" and that the reply to the question will balance the weight of opinion against his proposal. In other words, you can't sell life insurance unless you carry life insurance yourself and can force yourself to lay aside enough for that insurance to make the amount you carry an argument for rather than against the sale.

HIGH SENSE OF HONOR

In a recent issue of the London *Times* an estimate of Napoleon, the greatest soldier of the nineteenth century, appeared by the greatest soldier of the twentieth century, Marshal Foch. Foch calls Napoleon "beyond compare the military genius of modern times," yet with the perspective that was one mark of Foch's own consummate capacity for leadership, the marshal sees the limitation that brought Napoleon at last to grief. This is his way of putting what he calls "the deep reason for the disaster":

"He forgot that a man cannot be God; that above the individual there is the nation, that above men there

is the moral law, and that war is not the highest goal, since above war there is peace."

You probably have chosen the profession of life underwriting if you are reading these pages. (If you are considering it as a profession, Chapter II will give you the essential characteristics of the underwriting profession.) But no matter how little or how much experience you have had, or how little or great your success, you are preparing your own Waterloo if you forget during your salesmanship career that above your own interests are the interests of your profession.

Making an individual insurance sale may be a matter of persuasion, accident, need, or circumstance; but building up an insurance clientele is a matter of character, thought, study, persistency, and honor.

The remainder of this book is devoted to a study of the ways by which you can build up an insurance clientele. We aren't laboring under the delusion that through these suggestions we can make star salesmen out of any material, however unpromising. No book on acting would turn out a John Barrymore. No study of sculpture would turn out a Rodin. We have merely tried to bring together those methods which have proved successful in order that you may avoid the waste of time involved in the trial-and-error method of learning to sell.

Perhaps you are going to hold a record for insurance selling like that of Rosen, with your yearly commissions running into six figures, and perhaps you're not—but that's up to you.

It's really up to you whether you are going to peddle an undesired commodity from door to door or whether

you are going to discover the needs which insurance serves, and sell insurance to fill these needs. It is up to you whether you are going to bungle along by a hit-or-miss method or whether you are going to study out the best methods of finding and presenting insurance needs. It is entirely up to you whether you are really able to fill the job of a first-class salesman, which one of the world's biggest producers describes as "the biggest job in the world, bar none."

II

LIFE-INSURANCE SELLING AS A PROFESSION—THE LIFE UNDERWRITER

Two men were sitting in a club one day discussing the sizes of the estates they hoped to leave. One said he expected to leave an estate of three millions, and the other thought his estate might amount to more than a million. Each was considering how they could leave something for the benefit of the town, because they felt a certain obligation to it. While they were thus talking about their estates they saw a mutual friend of theirs come into the club. In a joking and facetious manner they called to the man, who happened to be a life underwriter, and said:

“Jim, we were just discussing our estates and what we could leave to this community. How large an estate will you leave?”

After studying seriously for a minute he replied: “Well, I think I will leave an estate of five millions or more.”

“Oh, seriously now, Jim, no joking—how large an estate will you leave?”

“I was not joking,” said Jim. “For twenty years I have been protecting widows, children, old age, and business with insurance. I have now over five millions of outstanding insurance, and if I should die to-night this community would be five millions of dollars better off

than if I had not lived here. That is my estate, and as long as you are talking about the good of the community I might say that my estate will do this community more good than if this estate were the result of philanthropy, because the members of the community have been taught habits and ideals of thrift. That's an estate to be proud of, isn't it? It gives me a pretty nice feeling to think that I have been able to help in providing for the needs of so many people. Anyhow, I like to look at my work that way."

It is your way of looking at your work, really, your viewpoint, which makes the difference between life-insurance selling as a business and life-insurance selling as a profession. This salesman was selling life insurance as a profession. He saw in his profession the greatest opportunity in the world for rendering real genuine social service. Unless you eventually get this vision of the wonderful value of insurance and the good you do in planning it, you had better find some other work, because you positively will not succeed in a big way in the profession of life underwriting.

WHAT MAKES A PROFESSION?

When we use the term "profession" loosely, we use it merely to distinguish between the trained man and the amateur, as when we speak of the professional ball-player or the professional boxer. More strictly, the term is used as a title of distinction, and applied to those occupations in which service to others rather than the amount of financial return is the accepted measure of success, such as medicine, teaching, and law.

This somewhat indiscriminate use of the word profession is due to the fact that a profession demands that its members have a certain amount of knowledge and acquire a certain degree of skill before they undertake the work that they have chosen. We speak of a "professional thief" because we believe his evil ingenuity to be the result of actual study and practice. But quite obviously, since we may use the term in this way, mere knowledge and skill cannot make the distinction between an occupation that is a profession and one that is not. Knowledge and skill are essential to the professional man, but they alone do not make the distinction between the professional man and the man engaged in any other occupation.

Of course it is impossible to draw a line and to list those occupations which are "professions" on one side and those "not professions" on the other. There is no fixed number of professions. But if we listed the so-called "recognized professions," such as medicine and teaching, on the one side, we should find that the work involved in each case was work for the benefit of others rather than solely for oneself. Moreover, if we should list on the same side of the line those occupations which are evolving as recognized professions we should find that when an eagerness for the service of others, and a readiness for co-operation for unselfish ends, marked the efforts of those engaged in an occupation, this occupation was already considered as entering the list of "recognized professions."

It was but a short time ago that such professions as law and medicine were in this probationary stage. They are still striving for higher ideals, but they are

admitted as "professions" because the knowledge and skill of their members have been used for the benefit of others to such an extent that the world considers them as entitled to the title of distinction.

Whether, in the opinion of the world, life underwriting has passed the probationary stage or not does not concern us here. It is merely a question of time. For the life underwriter of to-day has unlimited opportunities and is using these opportunities to render the highest type of service.

Not so many years ago a young life-insurance salesman was started out by his manager with this advice: "Young man, always remember that there are ten good reasons why every man should take a life-insurance policy; the first is, he needs the insurance, and the other nine are, you need the money."

When this viewpoint was expected of everyone who entered the ranks of insurance salesmen, life-insurance selling was purely and solely a business proposition. But life-insurance salesmanship has evolved rapidly since then.

The life underwriter of to-day is the possessor of a large store of knowledge concerning the principles, the uses, and the methods of selling life insurance. He uses this knowledge in diagnosing and prescribing for the insurance needs of those with whom he comes in contact. And the "best possible service to the community" rather than "the largest possible commissions" is the slogan under which he works.

Certainly in life underwriting, the able man earns a larger income than the less able man. So does the able doctor or the able lawyer. The demand for efficiency

is so great and the supply so small that the price of efficiency is high in every field of human activity. The recognized profession, however, definitely rejects the idea of money getting as an end in itself and selects as the test of success "excellence of performance in the service of others."

As some one has said, professionalism is in reality "an attitude of mind." You are a professional man, then, if you view your work as a great opportunity to use your knowledge and skill in rendering social service as well as a means of gaining a livelihood, and look at each individual sale as a means of serving the needs of a fellow-man rather than as a chance for collecting a commission.

It is the large number of insurance salesmen with this viewpoint, the salesmen who have been willing to devote much time to study and painstaking effort in order to be able to diagnose insurance needs, who have put more study and effort in prescribing the right sort of insurance to fit those needs, and whose desire to serve their clients has been sincere and unselfish, who are lifting, or possibly have lifted, life underwriting into the ranks of the professions.

RESPONSIBILITIES

Membership in any group places on the individual certain responsibilities and obligations. When even the loafer in the street puts on a soldier's uniform we expect him to act the part of a soldier. He acquires added dignity merely because he has become a part of a whole, the army, which commands our respect. Acts on his part which would not have been criticized as the acts

of a street loafer are criticized as the acts of an "army man."

Your membership in the profession of life underwriting places on you tremendous responsibilities, and more and more, as the standards of this profession are raised, does the world look down on the man who in any way violates the professional code.

It is scarcely necessary to mention the particular sins which cause us to brand the work of a particular life-insurance salesman as unprofessional. We all know what they are.

First, of course, there is the sin of *professional dishonor* which may take a variety of forms. It may take the form of giving incorrect information about your own or your competitors' policies; it sometimes undermines the whole institution of insurance by misrepresenting facts or twisting policies; all this in violation of the professional code which admires and generously recognizes the good in the work of others.

Closely allied to the sin of professional dishonor is the sin of *professional disloyalty*—the sacrifice of the common good to the interests of the individual. Insurance as an institution must be greater than any company, and insurance service cannot be effective without co-operation and unity of effort.

Don't let petty rivalry and a spirit of competitorship enter into your insurance selling. Your most dangerous competitors are not those who are selling insurance in other companies, for they are drawing the attention of the buying world to the commodity you have to sell. Your real competitors are those salesmen who are diverting money to other uses which should be invested

in insurance. They can do this because of their more attractive appeal, and it is up to you then to present the insurance appeal in the most telling manner.

Be big enough to see the good points in the policies of other companies. If another company of equal standing with yours issues a policy which would serve a prospect's interests better than your company's policy, and if he brings up the question, acknowledge the fact frankly. He will admire your professional attitude and, since he sees that you are really trying to serve his interests, will, in nine cases out of ten, look to you for his insurance advice. You will obtain a client rather than an individual policyholder.

The third of the cardinal sins in the life-insurance profession is the sin of *professional stagnation*.

You wouldn't be particularly pleased if a doctor had advised an operation, which you had undergone without the hoped-for results, to have another doctor inform you that this operation was an antiquated method of treating the ailment and that another form of operation was necessary. You would be considerably put out at having spent two weeks' time and a relatively small sum of money for treatment which brought unsatisfactory results. Yet, how much more serious is the too frequent out-of-date treatment of insurance cases. If you fail, for instance, to keep abreast of the times enough to know that life incomes should be urged for family protection, and the \$50,000 estate which a man's untiring efforts have created for his family's support is squandered in an oil speculation, how much more serious is your offense!

Moreover, just as the surgeon must master the tech-

nic of the new operation which has proved its effectiveness, so must you master the technic of selling the new form of insurance.

If a prospect brings up arguments against the form of insurance which would best serve his interests, and you can't answer these arguments merely because of lack of preparation, you are committing as grave an error as the surgeon who has failed to acquire the necessary technic for the proposed operation.

OBLIGATIONS

Each member of a profession draws from a common stock of accumulated knowledge, and each should in turn contribute to that common stock. The physician who produces valuable results through tireless research work—results which would benefit his fellow human beings—does not consider the results of this work his own, but through the medical journals reports them at once in order that the facts may be at the disposal of all.

If you as a life underwriter uncover never-thought-of needs which life insurance would serve, or if you have discovered selling methods which make the prospect see his insurance situation or insurance in general in a clearer light, you are taking the true professional attitude if you make this knowledge available for your fellow-salesmen.

The members of any profession, since they constitute a specifically trained group of men, are looked upon to assume the responsibility of leadership in work allied to their own. The doctor is looked upon as the leader in public-health campaigns, and the lawyer in campaigns for civic betterment. The life-insurance salesman, since his efforts are allied with such a wide range

of human activities, is interested in any movement which works toward human betterment; but there are certain fields in which his profession enables him to do particularly valuable work:

1. As a Promoter and Teacher of Thrift.

The social significance of this function of the life-insurance salesman cannot be minimized. Think what the ability to reduce poverty means. It is a well-recognized fact that at the bottom of almost every social problem there is a financial one. The elimination of poverty or a partial elimination of poverty would certainly carry with it many of our most puzzling and difficult social problems.

Many people would be well off to-day if they had not given up their savings plan at some time of particular need. Nearly everyone at some time or other begins to save, but relatively few stick to the plan until they acquire the habit. After the habit has been developed, individuals become prejudiced in favor of thrift and it is then that we say they have developed ideals of thrift. In other words, an ideal is an emotionalized habit. The underwriter is really a teacher and promoter of thrift ideals.

In the present after-the-war period, too, thrift is not only a question of individual welfare, but of the welfare of the country. Production and prosperity go hand in hand, and increased production must come mainly from one source, increased investment.

In past years, increased investment has come mainly from that portion of the national income which went to "capital," but a large portion now finds its way to the

wage earner, who is ordinarily a consumer, not an investor.

Unless progress is to stop, unless production is to become actually less, a way must be found to turn this wage fund into an investment. This can be done probably more readily through life insurance than through any other channel.

A man connected with a large savings institution recently made an investigation of the thrift habits of the ordinary man in the business district of New York. He found that of 101 people in an office building with earnings of from \$2,000 to \$4,000 a year, only 25 followed any voluntary plan of saving other than life insurance, while 74 carried life insurance. Moreover, of the 25 who followed a voluntary plan of regular saving, 21 were among those who carried life insurance.

The investigator found in this group of people that in the majority of cases life insurance had been the means of starting the habit of saving, and that in most cases the force that impelled the man to save was not the initiative of the man who saved, but the personal solicitation of the insurance salesman who had supplied the method and established the amount and the time for payment.

Of course, it is through the insurance companies that the funds are invested in ways which increase productivity, but it is only through the work of the individual salesman that the funds can be created.

2. As a Promoter and Teacher of Health.

The idea of public health, like other ideas, has changed considerably in recent years. There was a

time when we thought of public health as merely dealing with diseases. If you cured people who were ill, you were doing all that was required. But now we realize, says Dr. George E. Vincent, the president of the Rockefeller Foundation, "that the only kind of public health that is really valuable is the public health that prevents disease, that deals with the causes of disease and relieves whole societies and communities from the outcome of conditions over which it is perfectly possible for a well-organized and intelligent community to have control."

The insurance companies have played a vital and important part in the betterment of public health. By their careful and collective analysis of vital statistics they have been able to make clear causal relations between disease and social conditions. By their classification of different vocations with regard to hazard, they have brought out evils which needed correction and which have resulted in a condition of improved health. They have used their resources in fighting epidemics, in enforcing sanitary regulations, in pushing bills for better working conditions, and in publishing educational literature on health and hygiene. More than that, many companies provide direct medical aid, arranging for free physical examinations and supplying free visiting-nurse service.

Of course, the amount of public-health service that the life-insurance field man can render will depend to a large extent on the amount of assistance he receives from his company. He is a connecting link, however, between his company and the community which he serves, and it may be largely through him that the

company will receive information which will enable it to render the particular type of service which would most benefit his particular community.

3. As a Promoter of Good Citizenship.

Our democracy is based on the theory that every man is entitled to an equal opportunity to develop his individual abilities. It is often only through the protection that life insurance affords, however, that this ideal is approximated in an individual case. The child who is forced by poverty to leave school before completing his high-school course by no means has an equal opportunity of developing his individual abilities with those who have enjoyed greater advantages. It is the life-insurance salesman who points out ways of making certain that individuals shall have this equal chance.

The possibilities of promoting good citizenship through so-called "group insurance," too, are very great. The industrial problem which faces the country to-day can be solved only through better co-operation between employer and employee, and probably few persons in recent years have done more to promote better relations in the industrial world than those who have been instrumental in establishing systems of group insurance through which the wage earner feels the interest of the employer in him and his affairs.

4. As a Promoter and Teacher of Ideals.

There is not the slightest disposition on the writer's part to attempt to emphasize unduly the importance of life underwriting. On the other hand, he has no

right to voice an opinion about the profession unless he is perfectly willing to parade the virtues which he feels are closely tied up with his profession. In discussing the underwriter as a promoter and teacher of ideals, the writer will not make any apology whatever. If some consider this aspect of the underwriter's work doubtful, the writer would plead for time in order that the individual might sometime see this phase of his work. Sometime or somewhere, if he continues in the profession, he will feel the thrill which comes to him because he will recognize that developed ideals have followed in the path of his activities.

In this chapter it has been mentioned that ideals of thrift have been brought about because of the establishment of habits of thrift. The life underwriters are probably more nearly responsible for thrift habits in America than any other profession or business. Ideals usually start as habits. When prejudice and emotion become attached to habits ideals result. In like manner, the real life underwriter has just exactly the opportunity which the title of his profession indicates. He has the opportunity to become a *real life underwriter*.

You have a glorious opportunity to discuss with your client the most intimate of all relations—his own and his family affairs. You have the opportunity to discuss the most precious relationships which your clients have. If you are a real underwriter, you can share with your client opinions, information, advice, and experience which may do much to develop and help him. All such sharing of experiences must be absolutely confidential.

All men are actuated by motives of some sort or

other. Not many of the other professions offer quite such an opportunity to discuss a man's objectives in life. Life underwriting cannot function properly unless it is closely related to life objectives.

No other profession offers quite the opportunity to share such true idealism as does the underwriting profession. Of course this is all based upon the assumption that the underwriter has something to share with his clients.

THE LIFE UNDERWRITER'S VIEWPOINT

It must be clear to you that the insurance salesman has an opportunity of rendering the highest type of service, and that the field in which he can exercise his abilities may be as wide as he wishes to make it.

When you travel about your community, make a point of talking to people in almshouses and in old people's homes, to determine how life insurance would have prevented the tragedies that you find; in other words, bring yourself to a realization of the importance of life insurance and the social values involved in life-insurance selling.

When you hear of a business failure, force yourself to consider the disastrous effects. Nearly always persons not responsible in any way for the crash are penalized for the failure—in a measure, society itself is penalized through the effects of the failure. You have a commodity for sale which would prevent social losses of this sort and you are responsible to some degree if, through your neglect, the failure which could have been prevented through life insurance has caused this loss to society.

If you are really a professional man, you will see a number of preventable financial tragedies of a particular type in your community as an evidence of inadequate insurance service, as the physician sees a number of cases of a preventable disease as an evidence of inadequate health service. It is up to the physician to lead in the effort to check health evils through the most strenuous and most up-to-date available methods. And it is up to you as a professional life underwriter to find out ways and means of checking financial evils.

Peddling the commodity of insurance from door to door for eight hours a day does not constitute a profession. But using your ability, your knowledge, and your training to diagnose human needs and to provide remedies which will meet those needs does constitute a profession of the highest type.

III

PROSPECTING

MARSHAL FOCH tells the story of a general on the battlefield who was faced with the necessity of taking some kind of action. He racked his brains for a similar situation in the history of warfare and an explanation of how it was met. He could think of no example that would help him, however, and finally exclaimed: "To the devil with history and principles! What is my objective?"

The ultimate objective of the life-insurance salesman is, of course, to sell insurance, as the ultimate objective of the general was to win the battle; but his first and immediate objective is to find prospects. All the theory in the world concerning successful salesmanship will be absolutely useless unless he finds prospects in his own community to whom he can sell insurance. In other words, he can't be an insurance salesman unless he can sell insurance to somebody.

In order that you may give the study of prospecting serious consideration, we may state, and the statement may be made without any fear of contradiction whatever, that most beginners fail and even old-timers get in a slump because of the failure to give prospecting the amount of time and thought which it deserves. If you fail in prospecting, you will surely fail in the profession of life-insurance salesmanship.

The statement has been made that 90 per cent of all adults under sixty-five years of age are acceptable risks and that at least 50 per cent of them are able to pay the premium on a \$1,000 policy or on a larger one. When you apply these percentages to the number of adults living in your territory, you will realize the vast number of people on whom you can draw for your prospect lists.

In his search for prospects, the new salesman may make two mistakes: he may attempt selling before he has made any study of his territory and therefore knows little about his prospects, or he may spend so much time analyzing his territory, thus getting a large number of names with details, that he has little time for actual selling.

Theoretically, you can't know too much about your field. Actually, however, you can waste a tremendous amount of time in acquiring information. You will never reach a top-notch sales record if you spend so much time prospecting that you have none left in which to get names written on the dotted line. Very few salesmen have learned properly to balance their prospecting and their hustling for applications. The fault is usually due to failure in utilizing all the opportunities for prospecting which might be used without diminishing in any degree the amount of time that may be spent in actual selling.

Except possibly at the outset of his career, the thoroughly efficient salesman seldom needs to devote time to prospecting which could be devoted to selling. He is prospecting all the time. Street-car conversation, table talk, talks with policyholders—all may lead to

information of the utmost value. His senses are trained to acuteness in perceiving suggestions that would open the door to new customers. He makes it his business to get in touch with as many people as he can, always with this purpose in mind. If you are able to develop these habits of prospecting, you will probably be known as a man who has a "nose for prospects."

METHODS OF PROSPECTING

No salesman can afford to depend on "hit-or-miss" methods of prospecting. He must have a definite plan. This does not mean that he must adopt a particular plan and stick to it "for better or for worse." Nor does it mean that there is any one best plan for prospecting. Each successful salesman probably has a particular method he has found to be particularly successful in his individual case, but there are few salesmen who don't use several methods. The methods employed are probably almost as numerous as the salesmen employing them, but they all fall more or less readily under three heads:

1. The Cold Canvass.

By the "cold canvass" prospects are developed through finding the insurance needs of a certain number or certain group of comparative strangers. We may use one of two methods: (1) We may select a group of individuals having somewhat the same interests, those residing in a certain locality, those belonging to a certain nationality, those engaged in the same occupation, concerning the insurance needs of whom we may hazard a reasonably accurate guess. Or (2) we may select

a type of insurance, such as income insurance or business insurance, which would fit the needs of a relatively large group of individuals, and then try to find prospects who would have a use for this particular type.

For example, if you canvassed a group of men in an industrial town, you would know that the family was dependent on the weekly wage and that they would want the maximum protection at the minimum cost in case of the death of the wage earner.

If you followed the second plan and wished to specialize on inheritance-tax insurance, for example, you would probably try to get business announcements such as bank statements which would give the names of the directors who would more than probably be men of wealth.

The "cold canvass" is difficult, since, instead of approaching the prospect armed with information as to what his personal needs are, you must draw from him the information on which to base your insurance proposition. You must use tact and possibly originality, but with a mixture of these the approach in the "cold canvass" is not impossible.

"What can I do for you?" asked a stranger as an agent walked into his office and introduced himself.

"Nothing, sir, thank you," the agent replied. "I came in to see if I could do something for you." With this introduction he explained various ways in which insurance would prove invaluable to a man in the management of his estate and secured the desired interview.

2. The Endless Chain.

John L. Golden, the producer of "Lightnin'," the play which has held the record run on Broadway, says

that if he has a good play the "endless chain" will never fail to fill his house.

"My procedure is to do no advertising at all aside from a little eight-line announcement, which is the smallest amount of space that a newspaper will sell to a theater. I calculate that if the first people who see the play (and there may be very few the opening nights) are pleased, each of them ought to tell at least one other person, and that, therefore, in a little while we shall have the theater filled. That is the test of a good play."

Of course, with a commodity such as life insurance for which the general public show less enthusiasm than they show for the theater, the salesman cannot rely wholly on policyholders to develop his "endless chain." He must develop it himself, but of the various methods which have been devised for prospecting there is none better.

You can begin this method with yourself as the first link in the chain. Go to one of your friends and say: "I am going into the insurance business. I don't want to write you, but I wish you would give me the names of ten people who you think need insurance and the reasons why they need it." (In most cases your friend will not know what needs are served through life insurance. This gives you a splendid opportunity to get him thinking about his own unfilled needs.) Do this with four or five of your friends and you will secure a number of prospects.

If you write a policy, ask the policyholder to give you the names of several other persons who would be interested in the service, emphasizing, of course, that life insurance will take care of human needs.

The approach is usually simplified, too, through the use of the "endless chain." If the person who has given you the name of a prospect will allow you to use his name, it is very easy to say, "Mr. A., Mr. B. has told me that you would be interested in a plan for buying money on the installment plan for future delivery," or you could vary this approach to suit your own personality, giving always, of course, due consideration to the type of the individual prospect.

Ordinarily the man who is giving the information objects to having his name used in this manner. A successful insurance salesman states, however, that many men will allow their names to be used on condition that the policy is sold. Under such circumstances, open your conversation this way:

"Mr. Prospect, a friend of yours asked me to come to see you about life insurance as a form of investment."

Naturally, his first question is, "Who asked you?"

Look him straight in the eye then, and say, "I can't tell you now, but when I write your policy, I will."

3. Centers of Interest—Influential Contacts.

Through a center of interest we secure the constant co-operation of some person whose good will toward us we have enlisted, and who is in a position to furnish us with information which we desire.

There are a number of channels through which centers of interest may be developed. If you have any church

affiliations, your clergyman will probably be willing to tell you of specific cases where insurance is needed for family protection, provided, of course, you acquaint him with what insurance does. Through your banking connections you may be able to get names of persons who might need insurance for credit purposes. For a man operating in a small community, a particularly good center of interest is the examining physician. He is particularly valuable, since in many cases he is able to make a correct guess as to whether or not a man can pass the physical examination. Perhaps the best influential contact is an enthusiastic policyholder. If he is thoroughly "sold" on the idea of insurance himself, he will want his friends to have this form of protection, and since he knows something about insurance, he will probably be able to point out specific needs to be covered. Don't overlook the fact that such a policyholder is enthusiastic about insurance, about your company, and about you. His recommendation to a mutual friend has three elements of strength.

If the writer could call forth the most powerful and expressive language at his command he would do so in urging the new insurance agent to spend a lot of time considering his own interests, hobbies, and associations in order to start a list of prospects. With each interest or hobby there follows naturally a circle of acquaintances. List these acquaintances carefully, keeping in mind always that you have something in common with these people. If you do this thoughtfully and thoroughly you will not have much cause for worry about prospects. Think of your own interests and then

list people who have these same interests as potential prospects.

SOURCES OF PROSPECTS

If you are on the lookout, as we have said before, mere chance conversation will supply you with the names of numbers of prospects. "The butcher, the baker, the candlestick maker" all need insurance or have friends who need it. But, especially in starting out, you will scarcely be able to find the track of enough prospects in this way to employ the time which you should use in making calls. You will have to fill your prospect list with names from more general sources, and make a systematic effort to acquire enough names. The following sources are suggested as providing profitable material.

1. Newspapers.

- (a) Watch the marriage and birth columns and find out, if the husband or father should die, would there be enough to take care of his wife or his child? If both parents should die, would the child become a charge upon relations or the public in some institution?
- (b) Note death notices in which money has been left to the beneficiary for reinvestment.
- (c) The graduation lists of schools or colleges may suggest names of parents who would wish to provide for their children's future.
- (d) Read the society column. You may find that some policyholder of yours has been the guest of a man who would be interested in insur-

ance. You may get from him a card of introduction just when it will do most good.

- (e) Watch all business announcements. New incorporations or partnerships obviously suggest business insurance. Real-estate transfers should afford excellent material for the life-insurance solicitor. The man who buys needs protection, and the man who sells often has money which he is ready to invest.
- (f) Especially in small town papers you will find news items concerning individuals who are enlarging their businesses, about those who have had exceptionally busy seasons, secured big contracts, increased their capacity, or experienced some change which would make them good prospects for life insurance.
- (g) Watch for any accounts of unusual happenings. Often a man will be ready to buy insurance because he has had an accident. His store may have burned, his home may have been robbed. Any of these occurrences tend to shock the individual out of his complacent mood. Such cases must be followed up immediately or they will lose their effectiveness.

2. *Groups Located in Certain Districts.*

(a) The Business District:

The names of business and professional men, men whose offices are located in the business district, make up nine-tenths of the average prospect list. Obviously this field is a fruitful source of prospects, but the agent is too apt

to concentrate on this type of prospect to the exclusion of those living outside the business district who would offer equally profitable material for prospecting.

(b) Out-of-the-way Districts:

Manufacturers and those connected with manufacturing in a managerial capacity are frequently excellent prospects. Fewer agents solicit these men, as their offices are on the outskirts of the city and it is easier, in the average case, to obtain an interview with them.

(c) The Tenement-house District:

Large amounts of insurance can be written by the agent who will canvass the so-called tenement-house district. The day worker, in many cases, is making as much as the professional man, and since his standard of living is lower, he has more money to spend.

A "baby grand" of the finest grade was recently bought by a man and woman who gave an East Side tenement address in New York as the place to which the piano was to be delivered. The salesman, his curiosity having been aroused, made the excuse that he wished to see if the piano had been set up correctly, and visited the home of the family. He found that, since no one in the family could play, they had covered the instrument and were using it as a dining-room table. Could a wide-awake salesman have persuaded that man to buy life insurance? Probably, and this

type of prospect affords excellent material for occasional evening work.

3. *Classified Lists.*

(a) Lists of policyholders:

Most agents would be astonished to know the large amount of insurance which is written every year by every company on their own policyholders. Policyholders are exceptionally good prospects, since

1. They have established the saving habit.
2. They are probably good risks.
3. They have confidence in the company and in you if you insured them originally.
4. You know something of their preferences if you insured them originally.
5. The settlement of the insurance is simpler if the claims of the beneficiary are all in one company.

(b) Membership lists of clubs may be consulted to advantage since these often combine a group of men who, very roughly, may be grouped in the same financial class or are men with the same interests.

(c) Alumni lists for colleges and the "Year Books" of college classes form exceptionally good prospecting material, especially the latter, since a short sketch of the life of each person is given.

(d) The lists of "patrons" in the announcements of private schools will suggest names of parents

who might be willing to provide income insurance for their children.

- (e) Business announcements of any sort, such as bank statements, will give you the names of the directors or the officers of the corporation who might be approached on the subject of business insurance or inheritance-tax insurance.

In using lists of any sort it is only the out-of-date salesman who eliminates women's names from the lists. An analysis of the New York State income tax returns shows that in 1920, 100,000 single women in New York State, not heads of families, paid income taxes, as compared with 190,000 single males; and 30,000 single women supporting families paid taxes as compared with 54,000 single males. Of the 745,000 total income-tax returns, 20 per cent were filed by women, most of whom were unmarried. The deduction from these figures, of course, is that the 100,000 single women are typical of the large number of self-supporting women who should be making provision for their own future through endowment policies or annuities. Furthermore, the 30,000 who are contributing to the support of others show the large number who need life insurance to protect dependents.

It would be out of the question, of course, to mention all the lists which would be valuable for the prospector. Lists prepared especially for your local community, like the lists of persons for a charity bazaar, are often the richest mines of information. There are, however, a few general lists which often provide valuable material and which are everywhere available.

City Directory	Dun and Bradstreet
Telephone books	Lodge-membership lists
Mercantile reports	Trade directories
Marriage-license lists	Tax lists
Nurses' Directory	Mortgage lists
Social Register	Military census reports
Teachers' Directory	

ELIMINATION

A distinctive difference exists between a prospective customer for life insurance and a prospective customer for perhaps any other commodity in the world.

In the case of any other article which the salesman offers, if a man has a possible need for it and the money to pay for it, he is a prospect. But money alone will not procure life insurance. A man must have health as well. Given a man, then, who has a possible need for life insurance (though this need may not be apparent), a man who has the money to pay the premium, and who can pass the required physical examination, and you have a life-insurance prospect.

Secure your names from as many sources as possible, then use those names as prospects on which you have the most detailed information.

1. Financial Situation.

You would scarcely suggest insurance to a man who had no visible means of support. But don't work on the mere impression that his financial situation is good if there is any way of making sure. Look up his credit rating; or, in a small community, you may be able to

get information through his bank if you go at the matter in the right way.

2. Health.

Of course, the examining physician will give the desired information to the company, but if you spend time persuading a man that he needs insurance when he is not insurable, you have lost time which has a financial value.

You may sometimes ask the man's friend if there is any hereditary disease which runs through the man's family, such as tuberculosis or cancer. You can also ask if the man is usually in good health, or if he is subject to frequent illnesses, or if his habits are temperate or intemperate.

It is of importance, too, that the agent should try to develop the faculty of determining on sight whether a prospect is probably insurable through one of the different forms of policies issued by his company. You must learn to get a first impression of health as you get a first impression of personality. In neither case can you lay down definite rules, nor will your guess be invariably correct. We usually connect the tall, straight, broad-shouldered man with the dominant personality, but we can form no rule for selecting the dominant personality on this basis. Napoleon would rise up to contradict our statements. For the same reason we cannot say that you will find the man of average size a good physical risk. But your experience must teach you to make some sort of estimate of health as you make an estimate of personality. The points to be kept in mind are fairly obvious:

(a) Does He Look Healthy?

1. Has he a clear skin with a good color?
2. Are his eyes clear?
3. Does he move with the energy of a man who feels well or does he drag around?
4. Has he any physical deformity which would affect his health directly or indirectly?

(b) Is He Average Height?

Is his height between four feet six and six feet three?

(c) Is He Average Weight?

Is he noticeably thin or fat? Your own company has minimums and maximums for the guidance of the agent.

3. *Moral Risk.*

Although the company may discover the man's physical defects through the examining physician, it must depend, to a large extent, on the agent to discover the man's moral defects which would render him an undesirable risk.

You are not a loyal representative of your company if, in serving your own interests, you sell insurance to a man whose business record is not clear or whose past life would put him in an undesirable class.

TIME

In prospecting of any sort, but especially when the salesman is choosing his prospects from lists such as those engaged in a certain occupation or those residing in a certain locality, it is essential that the salesman should choose the time when he could best approach

these classes of men. For instance, if you are selecting your names from the lists in an agricultural bulletin, you should consider the fact that the farmer usually has more ready cash immediately after the disposal of the fall crop than at any other time.

If there is a slump in the stock market, try to get the names of wealthy men who might need inheritance-tax insurance. Many of them are forced to realize that if death should overtake them at such a time, the financial monument which they planned to erect would crumble to pieces.

When business is booming, watch out for the names of men engaged in manufacturing and commercial enterprises whose incomes are greatly inflated from increased production. When the "hard-times" period follows, make up your lists from the names of salaried men whose incomes have not been decreased.

One successful salesman finds it worth while to make up lists of "rainy-day" prospects, listing the names of men, such as civil engineers, who would be at home on a rainy day.

SYSTEMATIC WORK

Success in prospecting, as in every other phase of insurance selling, depends more on system than on exceptional ability. At the very beginning, however, we should realize that there is no intrinsic merit in system itself. Remember that almost any system will work if you do. A system is worth while only to the extent that it makes possible better returns for you or better service for your clients. In other words, be systematic in your work; but don't become so infatu-

ated with your system that you forget its purpose—namely, to help you to sell insurance.

If your system of filing prospects' names takes up hours when you should be interviewing prospects, throw it aside and get another system. It is by no means necessary that you follow a particular system. It is merely necessary that you follow some system. We could not possibly attempt to outline a system which would work for every salesman on every occasion, but the particular system adopted by every salesman should provide a means of keeping:

1. A list of a number of people to call on each day.
2. A record of the particular reason why you are calling on them on that particular day.
3. The list of reasons why you think the prospect needs insurance.
4. All available data concerning his habits and characteristics which would aid you in selling.

Some sort of card-index system is perhaps the most convenient method of keeping your list of prospects so that you can easily find them, and at the same time of providing you with data concerning each one.

The ordinary prospect card system consists of two sets of cards—the permanent cards and the working cards. Each prospect's name is entered on a separate permanent card and filed in its alphabetical order. The writer advises a large card for the permanent record. A 5x7 card is a satisfactory size and gives room for adequate data about your client. On it are noted all data concerning the prospect as they are secured: his occupation, financial condition, number of

dependents, social position, personal habits and characteristics and interests; his present insurance status; and any special facts that would be of value in your diagnosis or presentation of his insurance needs. Keep on the card, too, a record of your relations with him; that is, if you have proposed an insurance program to him (see p. 81) keep a record on this card. The card prepared by the writers' class at the Carnegie Institute of Technology for this purpose will be found on the pages 54-55. The illustrations represent, of course, the two sides of the card. It is well to go over this permanent record every few weeks in order that you may not overlook anyone on the list. It is important, too, that you keep adding new names to this list in order that you may have plenty of material.

In addition to the permanent office card there should be a set of active, or working cards. These cards should be of pocket size, 3x5. They should contain the names of those on your permanent list whom you will see at certain times, and should be filed in their chronological order. You will probably find it convenient to make out cards for each day for about two months in advance. On these should be noted the particular reasons for seeing the particular person on that date, such as birthdays and change-of-age dates, days on which he receives dividends on certain stock or receives a regular increase in salary, or days on which his insurance policy would mature. On the same cards appointments may also be noted.

These cards should be glanced over several days in advance of the date on which the event occurs, in case you wish to write the prospect that you will call. In

view of the fact that many big producers in the selling world estimate that a large percentage of their prospects are secured through letters, you should not neglect this method of getting in touch with people. Several letters are included at the end of this chapter as suggestions for ways in which to interest prospects in different types of insurance.

Whether you have introduced the subject of insurance by letter or not, you should plan your work each afternoon for the ensuing day on the basis of the information which the cards contain. You may prefer to carry the cards with you or to jot down the information in the notebook you carry in your pocket.

THE INSURANCE SURVEY

Business and professional men in other occupations investigate the conditions existing in their territories in order to discover the possibilities and how they differ from other fields in which the same work is carried on. They must know the people with whom they are dealing, their particular needs or wants, or their efforts will meet with more or less flat failure.

The needs for insurance in every community are different, and you will never really serve your community, and incidentally yourself, unless you are able to lay your finger on these specific needs which exist.

It is probably unnecessary to point out to you the necessity of studying the business enterprises in your territory, their nature, prosperity, and steadiness of operation; of finding out the average salary and wage, how it is spent and what portion goes to life insurance. In addition to this, however, you should know what

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	BIRTH	AGE CHANGE		
NAME													RESIDENCE ADDRESS	PHONES	
													BUSINESS ADDRESS		
													BUSINESS ADDRESS		
OCCUPATION														FIRM NAME	
SINGLE		INCOME		SALARY		WORTH		TYPE OF INVESTMENT		SAVES		CAN SPEND FOR INSURANCE			
MARRIED		PERSONAL													
WIDOWER		WIFE													
DIVORCED															
HOME SITUATION				FINANCIAL SITUATION				BUSINESS SITUATION							
WIFE				BORN		POLITICS		CHURCH		COLLEGE		AUTOMOBILE			
CHILDREN						BANK		NATIONALITY		ATTITUDE TOWARD INSURANCE					
						HOBBIES				CLUBS					
						HABITS		CHARACTER		HEALTH		WHERE MET			
FRIENDS				ADDRESSES				MADE BY							
								DATE							

other sources of income are represented. In a small Pennsylvania town, for example, a large amount of capital was formerly invested in the stock of a certain railroad, the general offices of which were located in that town. The offices have long since been moved away, but most inherited estates in that community contain large blocks of that stock. The salesman who does not take this fact into account and who fails to note when — R. R. dividends are increased or when stock allotments are made is missing a chance to cultivate a fruitful source of prospects.

This sort of survey obviously has a direct value—that is, you can say to yourself, “Through knowing this particular need, or realizing such and such a condition, I was able to sell this insurance.”

There is another type of survey, however, which may be quite as valuable in the long run, but the results of which are not so apparent, or, rather, not so direct. You make this survey with much the same purpose and by using the same methods as a sanitary engineer who wishes to improve the health of a community. If he finds numerous cases of typhoid, he tries methods of improving the milk supply; if he finds smallpox, he starts a campaign for vaccination. You should study the insurance diseases in your community in order to be able to root out individual cases of that disease. Survey first the needs which have not been covered, such as cases of (a) widows lacking comforts and necessities; (b) adopted children and orphans; (c) people supported by lodges, churches, and philanthropic societies; (d) boys and girls taken from school and put to work—called home from college;

- (e) men and boys who have formed no habits of thrift;
- (f) men who are making more each year than the amount of insurance they carry; (g) number of mortgages on homes and other liabilities not covered by life insurance.

Find out also:

- (a) How much speculating is done in wild-cat schemes.
- (b) How many wealthy people in the community twenty years ago. Is the wealth distributed among the same families?
- (c) What have been the number and classes of the business failures.

This sort of survey will give you a broad vision for prospects. You are a professional man as much as the physician is a professional man, and you should feel morally responsible for the insurance needs of the community as the physician feels responsible for the physical needs. You would have little respect for the physician in any community who would feel responsible only for the people from whom he was deriving his income, taking no interest and giving no aid to efforts for the improvement of public health. You are in precisely the same position, however, if you do not concern yourself with the insurance needs of your particular community and do not use every opportunity to remedy existing evils. As some one has said:

"It is no defense for you to urge that they do not want life insurance. They need it. It is your affair to make them want it. It would be little defense for the social worker to say that the people of our slums do not want health and sanitation and better surroundings

and virtue. It is the salesman's duty to convert a need into a want, and, being first fully confident of the need, it is up to us insurance men and women to make people want so essential a thing as good life insurance."

Just how to convince people that they need and want life insurance takes us into the chapters concerning the sale. But before you can convince them that they need insurance, as we have said before, you must find the cases where that need exists.

A marksman's skill in hitting the target improves with experience and practice, but unless he learns to sight that target correctly he will never make any progress. So with the salesman. His selling ability will improve with study and experience, but his first problem is to learn to sight prospects.

LETTERS USED IN OBTAINING PROSPECTS

Form letters which have the appearance of circulars ordinarily receive little attention from the busy business man as he goes over his morning mail.

If you use letters at all, type each one separately and sign it by hand. A hundred letters which have the appearance of individual communications will produce better results than a thousand letters run off by the multigraph.

You will find it a good plan to inclose a return card and return stamped envelope, but don't get discouraged at a small number of replies. You are doing well if you receive a reply to one letter in twenty. The real value of the letters lies in the fact that they form an excellent introduction to your subject, since it is not difficult to go to a prospect and to say: "Mr. Smith, several days

ago you received a letter from me concerning your inheritance taxes. I have come to explain the plan a little more fully to you."

See every person to whom you have written as soon as possible. You may have all the letters which you are planning to send to a certain group of prospects typed at one time, but have them dated so that you can mail them in relays and follow them up promptly.

The letters following are not to be considered as models, but merely as type letters. Probably not one of these letters should be used by you without remodeling it to suit your own territory, conditions, and personality. Each letter submitted has been used with moderate success. Some salesmen find the letter method of getting prospects very satisfactory.

GENERAL FAMILY-PROTECTION LETTER

Mr. SAMUEL WALTERS,
261 BROADWAY,
EASTON, OHIO.

MY DEAR Mr. WALTERS:

Have you ever stopped to consider whether the income from the estate which you leave to your family will be sufficient to continue your salary to them as long as they need protection?

Your company, of course, could not guarantee to pay your salary for an indefinite period if anything should happen to you, but you can make an arrangement with the —— Company by which your present salary or any part of it will be paid to your family for as long a period as you desire.

If you will let me know at what time it would be most convenient for you to see me, I shall be glad to call to explain to you our salary-continuance plan.

Yours very truly

SUGGESTED LETTER FOR INSURANCE TO COVER A
MORTGAGE

Mr. R. A. BROWN,
SAN FRANCISCO, CAL.

DEAR SIR:

Suppose a banker were to say to you, "Mr. Brown, take your choice of these two propositions:

I will loan you \$5,000 on your property at 6 per cent, and if you die before the mortgage is paid your family will have to pay the mortgage when due;

OR

I will loan you \$5,000 on your property at 8 per cent, and if you die I will pay the mortgage, thereby leaving the property clear to your family. Furthermore, if you live twenty years or more and pay the mortgage yourself, I will pay you back one-half to three-quarters of all the money you paid me in interest over the 6 per cent,

which proposition would you take? Of course any man would take the second if he realizes what a load a mortgage is to his family and what loss foreclosure brings. Wouldn't you?

You need not go to the banker or disturb your present loan to get this desirable feature added to it.

I will call in a few days and explain to you, if I may, just how a policy in the —— Life Insurance Company will put things in such shape that neither you nor your family need worry about the mortgage.

Will you think this over seriously?

Sincerely yours,

SUGGESTED LETTER FOR THRIFT POLICY

(To be sent to well-to-do men who wish to inculcate habits of thrift in their sons.)

MR. G. P. BLAKE,
46 ARDMORE PLACE,
CLEVELAND, OHIO.

MY DEAR MR. BLAKE:

Is your son to follow in your footsteps?

You undoubtedly want him to make the same success that you have made in whatever business or profession he takes up, but do you realize that the very success that you have made works as an actual handicap for him? The fact that you are a wealthy man, able to provide him with a good education and many of the luxuries of life, takes away the stimulus to self-reliance which the sons of less successful men would have.

You are probably familiar with the remarks of James J. Hill on the subject of success: "If you want to know whether you are destined to be a success or a failure in life, you can easily find out. The test is simple and infallible. Are you able to save money? If not, drop out. You will lose; the seed of success is not in you."

Your son has possibly not acquired the habit of laying aside small sums of money because he thinks in terms of the big things which you have provided. Do you not feel under some obligation, then, to supply the incentive which means so much to his success? In other words, would you not like to underwrite your son's career?

I should like to talk over a plan with you by which, through establishing for him a definite system of savings, you can supply the incentive you would like him to have and at the same time make him feel that the end in view is worth the effort.

Will you kindly let me know at what hour it would be most convenient for you to see me?

Yours very truly,

SUGGESTED LETTER FOR SURGEONS AND PHYSICIANS
(FOR AN ACCIDENT AND HEALTH POLICY.)

DR. JAMES THOMPSON,
124 MAIN STREET,
PHILADELPHIA, PA.

DEAR SIR:

Have you ever given careful consideration to what you would do if you should become infected to such an extent that you would be compelled to give up your practice?

This is an unpleasant picture, I'll admit, but I offer no apology for bringing it before you. It is my professional duty as an underwriter. I owe this service to the community as you owe it to the community to war against infectious diseases.

If the community were threatened with a great disease danger, you would be overjoyed to know that your newly discovered serum would prevent the impending suffering.

Would you keep quiet about your discovery or would you announce it from the housetops? Don't answer. We know what you would do. You wouldn't even have it patented, because of your professional attitude.

You would start right in to have everyone inoculated before the epidemic spread. You are under professional obligation to save everybody you can. In like manner I wish everyone to have the benefit of my serum. This serum won't prevent your becoming infected, but it will eliminate the financial suffering usually accompanying such a misfortune. My serum will prevent loss of income as long as you live and are disabled.

Yes, it's a wonderful serum. I'm coming to tell you about it.

Very truly yours.

SUGGESTED LETTER FOR A DENTIST¹

DR. M. L. DAVIS,
15 WEST NINTH STREET,
NEW YORK CITY, N. Y.

DEAR SIR:

You as a dentist have perhaps the best opportunity of observing the penalties of neglect. A small cavity uncared for grows larger slowly but surely until the tooth becomes useless.

Fortunately, your profession can, if given a chance in time, stop the damage and keep the teeth at maximum efficiency.

When a man reaches a certain age, his efficiency begins to taper off—neither mentally nor physically can he work as hard as when he was younger. As a result, his earning power develops a small cavity which grows larger with the passing years until at sixty-five his earning power is almost gone.

But his expenses go right on almost undiminished, and therefore the cavity in the earning power must be filled. But, how to do it?

Here again you are the dentist. A part of your earnings deposited in an Endowment Policy to-day will begin paying you an income when your earning power diminishes—it will give you that happy, independent, and worry-free old age which we all dream about.

I shall call on you in a few days with a view to making this dream a reality.

Sincerely yours,

¹ Sent to the writer by Carl Pfund of Milwaukee.

BUSINESS-INSURANCE LETTER

MR. WALTER H. BARTON, President,
THE BRADMORE MANUFACTURING CO.,
PROVIDENCE, R. I.

DEAR SIR:

No doubt the Bradmore Manufacturing Company is insured against loss by fire, burglary, accidents to employees, and other adverse contingencies. But is your company insured against a possibly more serious danger—the death of one of its officers?

Insurance of this sort, while the charge is borne by the company, must be reckoned as an asset rather than as a liability. Banks, as you know, take account of business insurance in extending credit, and the yearly increasing cash value of the policy creates a fund which is immediately available in an emergency.

If you will let me know at what time it would be most convenient for you to see me, I shall be glad to outline the ways in which business insurance would be of service to your company.

INHERITANCE-TAX LETTER

MR. JOHN M. SMITH,
15 BAY STREET,
SAN FRANCISCO, CALIF.

MY DEAR MR. SMITH:

You would probably be willing to pay a considerable sum to get the opinion of Mr. Elihu Root on the best way to make provision for the inheritance taxes on your estate.

It will not be necessary to consult Mr. Root, however, for his experience in the settlement of large estates caused him to make this statement:

“I have come to the distinct conclusion that by far the best, and indeed almost the only practicable way of guarding against the possible ruinous loss through a forced sale of securities, for the purpose of paying the various estate and inheritance taxes which are being imposed nowadays, both by the national and states’ governments, is by means of Life Insurance, which, for a moderate annual payment, will insure the sum necessary to pay such taxes without the sacrifice of the securities.”

Knowing that you are not a man to leave anything of a serious nature to chance, I should like to discuss this matter with you. I feel sure that we could formulate a sound plan by which your inheritance taxes would be paid *for* the estate rather than *from* the estate. Will you kindly let me know at what time it would be convenient for you to see me?

Yours very truly,

BILLIARD LETTER¹

MR. WILLIAM JONES,
13 MURRAY STREET,
MILWAUKEE, WIS.

DEAR MR. JONES:

While playing billiards to-day the game ended before I realized it—and I had lost. My opponent from Pittsburgh was money ahead at the end of the game because he “played ’em safe,” while I was out the price of the game.

As I walked to the billiard desk I saw an old man watching a game.

I had often wondered why so few old men played billiards. When I got back to the office I found the answer. I discovered from statistics that only five out of every hundred men have any money when they reach sixty-five. Those five old men can play billiards; the other men don’t even have money enough to live on. They either “miscued” or failed to “play safe” in life’s game of success.

Doesn’t that make you think of playing your game more carefully? That is exactly what it did to me.

I decided right then and there to raise the price of billiards again—this time in my favor. Every time I spent money on billiards I would put the same amount into a separate account to pay for an Endowment policy to provide a pension when I reached the end of my string of business life. I don’t want ever to be in the fix of that old man I saw watching them play to-day.

No, don’t give up billiards; you need the recreation. But if you follow my plan of laying aside an amount equal to what you spend for billiards you will be “playing safe” in the toughest game man ever faced—the game of success in life. Then when you reach the sixty-fifth button of your life, the cash which your Endowment policy will pay you because of your “safety play” will seem like finding the money.

¹ The writer is indebted to Carl Pfund of Milwaukee for this letter. It was sent to each member of a billiard club by a fellow-member. Most of the names were obtained from the private cues. This letter did produce responses.

If you can pass our medical examination you will "win the break" in a contest where there is no chance for you to lose by "miscuing." You will win because your "safety play" will be perfect.

I may call on you in the near future to explain insurance to you. If I do, you will be under no obligations to buy. I always play a gentleman's game—especially in selling insurance.

Very truly yours,

ILLUSTRATIONS OF PROSPECTING METHODS

1. Using Policyholders to Get Prospects.

It should always be remembered that the policyholders of your company are the most valuable asset you have in the community. Get a number of them very much interested in you. You can use this general talk with them to get additional prospects:

"Mr. Thomas, you are interested in insurance and what it does. You feel satisfied that my company has given you satisfactory service. This service should be extended to your friends and acquaintances. You can assist by giving me some information about them. Do you know of any who have recently increased their loans at the bank or placed mortgages on their homes or business? Do you know any young men who have just recently married? Are any of your friends depending solely on a salaried position?

"Information of this nature will give me some basis for submitting to them a plan for real genuine service."

One very successful salesman calls on his policyholders every month to see if they have information for him. He told the writer that through the information which he obtained in this way he secured most of his prospects.

2. Getting Prospects from Your Friends.

Naturally your friends are interested in your success and will no doubt give you assistance if you take the time to tell them how they can help. As we have pointed out, if you are just starting in the business, you can go to one of your friends and say, "John, you know

that I am in the insurance profession. I did not come to solicit you to-day, but you can be of material assistance to me in another way. I should like to have the names of six or eight people who would probably be interested in my unusual type of insurance service. Do you know of any new business partnership just started? Any young men who are supporting their parents? If you would permit me to use your name I should appreciate it. If you by chance see any of them, just say that my insurance service is unique."

3. Analyzing Your Own Interests and Hobbies in Order to Find People Who Have Interests in Common with You.

First of all write down what you are interested in and in what ways you participate in the activities of the community. You probably have interests such as the following:

1. Interested in bridge.
2. Play tennis, golf, and handball.
3. Interested in live stock, particularly blooded horses.
4. Member Baptist Church.
5. Interested in Republican party—local politics.
6. Graduate of Wisconsin University.
7. Member of commercial club.
8. Member of two lodges.

The list could be indefinitely prolonged, but the above groups illustrate the general idea. After you have made the list, write down the men you know or come in contact with in each group. List your friends in the

same way. Then, as you begin to acquire information about each, make note of what you learn. Of course you can eliminate many names at the very beginning. As you acquire information your list will become more valuable.

4. Securing Prospects from a Business Acquaintance, a Fellow Alumnus, a Member of Your Fraternity, or Acquaintances of This Character.

The above do not always represent close friends. In fact, in many cases they are new acquaintances with whom you have a certain interest in common. Oftentimes such men will tell you they would be glad to help you, but say they don't know any prospects just now. Of course they don't, because they do not know what a prospect is. It is your business to ask them questions about people. For example, to the banker who may not know of any prospects you could say: "Do you know of any business being expanded just now where a mortgage on the present business is necessary? Do you know whether your directors have provided for inheritance taxes?"

The point of this whole discussion is, *don't ask for prospects*, but ask people about their friends or acquaintances. Your questions should tell you whether they are prospects or not.

Before closing the subject of prospecting would you, Mr. or Miss Beginning Agent, like to know now whether you will be a success in the life-insurance business? The answer is relatively simple. If you can get prospects you will succeed; if you can't, drop out—because you are headed straight into the jaws of defeat.

IV

THE PRE-APPROACH

"IN every affair consider what precedes and what follows and then undertake it," is a bit of wise counsel given some hundreds of years ago by a Greek philosopher, which we are repeating here because it states briefly the theory on which successful life-insurance salesmen of the present day base their selling plans.

In years gone by, when any man who wished to give life-insurance selling a try-out was furnished with a license, a rate book, some application blanks, and told to start out, an agent could "drop in to see if Mr. Prospect wanted to think about taking a little life insurance," with no definite idea of meeting the prospect's individual insurance needs. But the man who sells life insurance to-day must consider "what precedes and what follows," must know his prospects' needs and what types of insurance will fit these needs, or he will fall behind in the profession of life underwriting.

Of course, there probably always will be noteworthy exceptions. Some men have such dominant personalities and aggressiveness that they could sell anything without a semblance of knowledge of the commodity. But it is important to remember that for the average intelligent high-grade man preparation is necessary,

and who would wish to eliminate this group of men in order to cater to the spellbinder?

The statement that preparation is necessary by no means excludes from the list of front-line salesmen the man who is using the "cold canvass" or who approaches the prospect with little or no previous information about the kind of insurance which will be best suited to his purposes. He must draw from the prospect, during the interview, the desired information concerning his particular needs; but he must have made considerable preparation through the study of insurance and of his company's policies to be able to propose, on the spot, the sort of insurance which will meet the necessary requirements. Any general preparation which the salesman has given to the functions and principles of insurance, to the psychology involved in the selling process, to practical methods of salesmanship, comes, in reality, under the head of the "pre-approach." For convenience in this study, however, we shall limit the meaning of the term to the preparation which the salesman makes for the individual insurance case.

ESSENTIAL INFORMATION

It goes without saying, the more information you have about the prospect, the better will be your chances of a successful interview. This means that you will have more points of contact. But try always to find out things that count. You may find that a man has been promoted to a high-salaried position and consider him to be a good prospect for life insurance; but if he has recently been divorced, your proposal for the pro-

tection of dependents will not be received with much enthusiasm. Macbain says: "There is really no information about a prospective customer that can be said to be valueless. On the other hand, a knowledge of one or two of the characteristics of the man to be approached may be considered sufficient, the ready intuition of the salesman being relied on for the rest."

There are certain large and important cases where it will be advisable to get very complete information before attempting an interview. If you are trying to sell a \$750,000 insurance policy to a certain firm of wholesale merchants for protection in case of the death of a partner, you will certainly want to find out in just what ways that man is valuable to the firm. "Is he valuable on the production end or on the selling end?" "Is there any other member of the firm who could perform his duties or would it be necessary to secure a man from the outside?" "Would the loss of his prestige in the commercial world mean a financial loss to the company?" are some questions you would want to answer in addition to the usual questions regarding health and ability to pay. But by far the greater number of cases need not be studied further than to find out the prospect's responsibilities, some of the things he is working to accomplish, and his main interests.

This does not mean that you should sell insurance without being sure that you are tying it up with the prospect's needs. It means that it isn't necessary to spend several hours in getting information to sell a man a \$2,500 policy to cover a mortgage on his farm.

Many agents, particularly beginners, fall into the serious habit of spending too much time in getting information about prospects, writing up cases, then never using the material.

PLANS FOR SECURING INFORMATION

• 1. *In the Cold Canvass.*

If you are attempting the interview with little or no information, you can often ask the prospect just what his obligations are. Most men like to feel that theirs is a special case and are unconsciously pleased if the agent says to them, "Mr. Jones, if you will tell me the things you are anxious to accomplish, I should be glad to work up a special proposal which would meet your particular needs."

You need not put your questions like a census taker or a detective. Bring up the subject this way: "You know, Mr. Jones, our company has about as many kinds of policies as a doctor has medicines, and I want to be sure that I am selecting the one which best suits your case. This can't be done unless you help me in the diagnosis of your insurance needs."

Many salesmen make use of a preliminary call. It can be used in any type of canvass and is often very effective in a cold canvass. The purpose of the preliminary call is to get information in order to submit later an insurance proposal. You can say, "Mr. Lewis: my name is Smith. I represent the — Insurance Company. May I take just two minutes of your time to get some information? I render a distinctive insurance service because I never talk to a man about insurance until I have all the essential facts upon which I can base

a proposition. I'll study these over and later I may have something to say to you."

A good method to use in getting information is to tell about yourself first, as you take up each point. If you wish to know whether the prospect is married, say: "Mr. Brown, I am married. Are you? I have two children. Do you have any?" You see in this way he can't be offended at your questions, because you have answered the same questions about yourself.

Don't ask a man if he is in debt or what salary he receives unless he seems entirely willing to give you this information. You can employ supposition in such a way that directly or indirectly he will give you the information that you are seeking.

Instead of saying, "What salary do you receive?" say, "Suppose your net income is so much; if your age is about [make a guess], you would probably want to provide about so much insurance."

If when you get the information from the prospect you are so thoroughly informed as to what types of insurance will meet his needs that you can propose an insurance program on the spot, so much the better. Most agents, however, consider it advisable to spend some time in making a complete diagnosis in order to prescribe a sure means of accomplishing the prospect's objectives.

2. Through the "Endless Chain" and "Center of Interest."

If you are using either the "endless chain" or the "center of interest" method of prospecting, you can probably get most of the necessary information about

the prospect from the man who gives you his name. The prospect's friends will usually be willing to give the information if they know to what use the information is to be put and if you have established a reputation for holding the information and the name of the person who gave it in strictest confidence. If you do not know the man's friends, but know who they are, you can approach them just the same, telling them frankly that you wish the information because you expect to present an insurance program to this particular friend.

PURPOSES OF PREVIOUS INFORMATION

The purposes of securing information beforehand are perfectly obvious. In the first place, the knowledge aids materially in the approach.

The book agent who comes to the door to ask "madam" if she would "like to look at an after-the-war atlas" is probably met with a prompt and firm, "No." But if he has come to ask "Mrs. Brown" if she would "like to look at a book which would help George with his geography lessons," he would probably stand a fair chance of an interview. The fact that the salesman knows about George gives her a sense of importance and gives the salesman an opportunity of applying his knowledge of psychology to appeal to the parental instinct which will make her want to give George every advantage possible.

If you go to the prospect and ask him if he would like to take some life insurance, you will probably be met with the same prompt and efficacious, "No," but if you have come to see Mr. Jones about an educational

policy for Henry, you will secure an interview, if not an application.

Right here we might remark that the traditional thought on, "What's in a name? . . . A rose by any other name would smell as sweet," doesn't apply in selling life insurance. If you call the policy by the name of the need which it meets, you present a concrete picture to the prospect's mind which you cannot present in any other way. If you talk about the "mortgage policy" or "Henry's educational policy," you make a concrete appeal to the prospect's imagination, for he pictures what that policy will do.

One of America's leading soap manufacturers has pre-empted over one hundred names which might be appropriate for soap, paying the regular registration charge of twenty-five dollars for each name. Of course, the company does not intend to use them; it registers them *to fight off competition*, believing that in eliminating attractive names it *can fight off competition*.

If an establishment like this, directed by one of the ablest heads in the world, believes that it can ward off competition simply by depriving the would-be competitor of the appeal to the imagination in the name of a soap, surely we cannot afford to neglect the appeal to the imagination which can be made by calling a life-insurance policy by the name of the need which it is designed to meet.

In addition to making the approach easier, you can often impress a prospect with your businesslike methods if you can present a proposition related to his specific needs. If you have studied your prospect's situation thoroughly enough to know that he is a

graduate of Princeton, know that he has a young son whom he is anxious to have go there, and know approximately the amount of money that would be necessary, you can prepare a definite statement, then go to him and say, "Mr. Jones, here is a plan for sending George to Princeton which will interest you very much, I'm sure." Even if the proposal calls for the expenditure of more money than he intended (it is much better to have the amount too large than too small), he may question the amount, but the plan will certainly awaken his interest and must impress him with the fact that you have studied his individual situation.

In many cases, too, you can get information beforehand about a prospect which would throw light on his needs, but which he would be unlikely to give you himself. Only in rare instances would a man of any standing tell you that he had a wife who was without a grain of business sense. He would probably inform you that he didn't care to discuss life insurance, that he preferred to create a trust fund for his wife. But if you knew beforehand that he would have misgivings about his wife's management of his estate, you could go to the interview armed with an income plan suited to his financial situation, which would be likely to arouse his interest.

THE INSURANCE PROGRAM

It is undoubtedly to your advantage to provide yourself with definite information beforehand, but, in any case, it is your duty as a professional man to analyze your prospect's needs for insurance and to make sufficient preparation, general or particular, as the case

may be, to propose a program of insurance which will meet these requirements.

If through a lack of knowledge of your particular case your lawyer gave you advice which caused you to lose approximately \$40,000 in a lawsuit, you would have very little to say in favor of lawyers in general. But when the U. S. Bureau of Education estimates that the value of a college education is \$40,000—that is, on the average, a man can make \$40,000 more if he has had a college education than if he hasn't—aren't you committing just as grave an error as the lawyer if your client dies and, through lack of knowledge of his situation, you have neglected to urge the "educational policy" for his son which the father could have paid for, but without which the son cannot go to college? The son has lost approximately \$40,000, and you may be the person to blame.

We are not holding a brief for the educational policy, but we are urging you to propose an insurance plan which will cover all the needs of a particular prospect. If he can't take the full program you propose, sell him part of it. It is one thing to sell a man a \$2,000 policy and then to stop, and quite another thing to sell him the first \$2,000 policy on a \$12,000 program. If you have really sold him a \$12,000 program, who will get the other \$10,000? You will if your plan is worth while.

If you have studied insurance thoroughly enough to know all the human needs that can be protected by its use, if your knowledge is sufficiently well organized to enable you to apply this knowledge to the individual case, if you have studied the prospect's specific needs

and have proposed a plan of insurance to fit these needs, you have rendered real professional service; moreover, you have practiced the highest type of salesmanship—"the selling of goods that won't come back to customers that will."

The remainder of this chapter presents four cases analyzed in detail to show just what we mean by an insurance program based upon the individual's needs.¹ You might not propose the same program for each case, and it may not be necessary to submit a written plan, but the main point is that you analyze your prospect's insurance picture, that you find his important needs for insurance, and that you present a plan of insurance showing just what the insurance will do.

INSURANCE PICTURE NO. I

H. R. Baldwin, 55 years old; wife, 48; two sons, aged 20 and 18; no other dependents.

Lawyer with good practice. Income about \$10,000; wife's independent income from a trust fund left by her father, \$1,000. Owns attractive home without mortgage. The older son, Henry, is ready to enter the University of Wisconsin. He expects to study medicine after completing college course.

The younger son, Walter, also expects to go to the University of Wisconsin. He intends entering the law school.

Mr. Baldwin has about \$5,000 invested in Liberty bonds; \$5,000 in Pennsylvania Railroad stock; and carries \$10,000 insurance in the twenty-payment life plan taken out fifteen years ago. Relatively extravagant mode of living has made further saving impossible.

¹ This method of analyzing insurance cases was originated by G. M. Lovelace.

Needs:

To provide an adequate life income for his wife.

To make sure that his sons' education will be provided for and that they will have a little money with which to begin practicing their professions in case his death occurs before they have made a fair start.

To make certain an income in case of total and permanent disability.

To provide an income for himself in old age.

To furnish cash with which to settle the estate.

*Insurance Program:**New Insurance:*

\$15,000 on fifteen-payment life plan with disability clause.

\$15,000 as a fifteen-year endowment with disability clause.

Old Insurance:

\$10,000 on twenty-payment life plan, \$2,000 to be settled in cash, the remainder on the income plan for his wife.

By this adjustment the Baldwin family will have the protection of \$40,000 for fifteen years. If Mr. Baldwin's death occurs during the fifteen-year period, \$15,000, which can be settled in installments, would provide for the education of his sons. If he is still living when his sons have become self-supporting, he can have the money settled on the income plan for his wife—any unpaid installments to go to the sons.

At the end of the endowment period Mr. Baldwin can convert the \$15,000 into an annuity for his own future support.

Thus, if Mr. Baldwin dies during the fifteen-year period, Mrs. Baldwin will have \$25,000 insurance protection for herself, as well as \$15,000 with which to educate her sons. If Mr. Baldwin lives to the end of the fifteen-year period, the sons will be able to stand on their own feet. Mrs. Baldwin will then have \$25,000 of insurance protection and Mr. Baldwin will have a small assured income from the \$15,000 annuity.

The fact that approximately \$2,500 must be invested yearly in addition to the amount Mr. Baldwin is already paying for insurance premiums may make him consider this to be a prohibitive program. It is only through a plan similar to this, however, that he can be certain that his death will leave his wife adequately provided for, that his sons will receive the education he desires them to have, and that in old age or in case of disability he will not be dependent on others.

INSURANCE PICTURE NO. 2

W. T. Starr, 40 years old; wife, 30; mother, aged 70, dependent on him and his sister, who is self-supporting.

Principal of a public school with salary of \$3,000.

Provides for own future through Teachers' Pension Fund.

Has about \$5,000 invested in safe securities which yield him an income of about \$250.

Needs:

To furnish income for wife and mother.

Insurance Program:

Life income policy on the twenty-payment life plan for his wife, providing an income of \$100 a month.

Survivorship annuity for his mother, providing an income of \$50 a month.

In order to provide for Mrs. Starr's pension fund and for the relatively large amount of insurance which must be carried, the expenses of the Starrs would have to be kept within the following limits:

Rent.....	\$360
Food.....	600
Clothing.....	420
Miscellaneous housekeeping expenses.....	360
Charities.....	50
Recreation.....	100
Personal miscellaneous	60
	<hr/>
	\$1,950
\$3,000—Salary.	
250—Interest.	
<hr/>	
\$3,250	
1,950—Expenses.	
<hr/>	
\$1,300—for insurance and pension.	

In cases where your client's income is limited, it will frequently be necessary for him to make a budget in order to find out just how much insurance he can carry. In many instances, too, a definite plan for expenditures would make it possible for him to carry a larger amount of insurance than he could according to his present system. You can often be of great service to your clients if you will help them to make out these budgets, which are relatively simple to prepare. (See p. 98.)

INSURANCE PICTURE NO. 3

B. W. Carson; 52 years old; wife, 39.

President of a manufacturing company, a close corporation. Worth about \$1,000,000. Salary, \$75,000 a year. Married twice.

Children of his first wife:

Harriett, aged 30, married to a bond salesman.

Edward, aged 28. Has never shown any real business ability. Draws a salary of \$5,000 as assistant treasurer of his father's company.

Children of his second wife:

Keith, aged 8.

Marjorie, aged 6.

The withdrawal of the interest of the former president of the company by his family makes it necessary for Mr. Carson to invest the greater part of his capital in the business. The company is unusually prosperous and the stock offers a good investment. He expects to withdraw part of his capital gradually in order to invest it in something more secure. In the meantime he wishes to make sure that his wife and children shall always receive the allowance which he has been accustomed to provide, and that his two younger children shall have the same income as his two older children.

He has given to his wife an allowance of \$500 a month; to Harriett an allowance of \$300 a month; to Edward an allowance of \$300 a month.

In addition, he wishes to provide an income for Keith of \$300 a month and an income for Marjorie of \$300 a month.

Obviously, Mr. Carson should provide income insurance for each member of his family, and since his income is large he will probably prefer to do this on the ten-payment life plan.

The company, in order to avoid a repetition of the

financial embarrassment following the former president's death, should take out insurance to cover the amount which Mr. Carson has invested in the business. Likewise, since Mr. Carson's estate is relatively large, provision must be made for ready money with which to pay inheritance taxes in order that securities may not have to be sold in a forced market.

INSURANCE PICTURE NO. 4

Because of the differences existing among the various life-insurance companies in regard to policy forms, premium charges, interest rates, and the like, it is impossible in a book of this kind to prescribe particular policies which are issued to meet particular needs and which would be issued by every company. Only the more general types of insurance can be suggested and only the more general forms of settlement described. In the following insurance picture, however, a typical case is worked out in order to give you some idea of how the program should be worked out for your client. Obviously, you would adjust the program according to the policies issued by your company. If, for example, your company's policies do not include the "double indemnity" clause, you may want to make other provision for this contingency.

Picture:

H. M. Brown, 41 years old; wife, 40; son, 6.

General insurance business. Income about \$3,500 a year.

His mother is partially dependent on him. A defective brother is partially dependent on him.

Has never saved any money except through his insurance; owns no property. Carries \$5,000, twenty-payment life in the Circle Life Insurance Company, which has been in force for ten years, on which the present net deposits are about \$140 a year.

Needs:

1. To establish savings plans for future of himself and his family.
(By very strict economy, Mr. Brown can probably save \$700 a year by planning his expenses on a budget. It will, no doubt, be necessary to make some real sacrifices, but this should be done.)
2. To provide a certain amount of cash at his death.
3. To provide a life income for his wife.
4. To provide a certain income during youth of his son.
5. To provide an old-age fund, say, at age sixty-five.
6. To provide an income in case of total and permanent disability.

Plan:

1. Present insurance, \$5,000, twenty-payment life plan.
2. New insurance, \$12,000, twenty-five year endowment.
Total, \$17,000. The new insurance to be written with disability and double indemnity, accident.

Payments to wife at Mr. Brown's death:

1. \$1,000 in cash.
2. \$6,000 to be settled on the income plan. If, for example, she is forty-eight years old at his death, she will receive for twenty years certain, and for life about \$55 a year per \$1,000, or \$330 a year for \$6,000.
3. The balance of \$10,000 to be settled in a fixed number of installments to be paid twenty years certain. This will pay about \$650 a year for twenty years certain only.

Mrs. Brown's guaranteed income for twenty years will be about \$650 plus \$330, or \$980.

During the twenty years certain there will probably be surplus interest. If the present rate is continued, the surplus interest due at the end of the first year would be about \$200, making a total received during the first year of about \$1,180.

The surplus interest would, of course, decrease, and none would be paid after the twentieth year, so that the twentieth year's income would be \$980.

Beginning with the twenty-first year, Mrs. Brown's income would be \$330 a year, and this would continue for life.

Monthly Payments:

Provision should be made to have the annual payments under the two modes of settlement paid in monthly installments.

Payments to Son:

In case of Mrs. Brown's death, the balance of the twenty years certain will be paid to the son.

Disability Income:

1. Payments in case of total and permanent disability before age sixty.
(Mr. Brown's present insurance does not include disability, but under his new insurance of \$12,000 he would receive, in case of total and permanent disability, about \$120 a month as provided for in the disability clause in his policy.)
2. At Mr. Brown's death, following the receipt of the disability income, the entire amount of the insurance would be due and payable as above described.

Double Indemnity, Accident:

In case Mr. Brown dies as the result of an accident before age sixty, the amount due under his new insurance would be doubled—*viz.*, \$24,000. The total insurance would be \$29,000. Mrs. Brown might then receive \$2,000 in cash and the balance as a monthly life income. If she were forty-eight at her husband's death, the \$27,000 would pay her $27 \times \$55$, or \$1,485 a year for life. At her death the balance of any unpaid installments certain would be paid to the son. Surplus interest would be added during the twenty years certain.

Retirement fund for Mr. Brown:

If Mr. Brown lives to age sixty-six, the status of his policies would be as follows:

1. The present insurance of \$5,000 on the twenty-payment life plan, which became paid up when he reached age fifty-one, being still in force, may be main-

tained to provide a death benefit for Mrs. Brown, if she is still living, or for his son.

2. The proposed insurance of \$12,000 will mature as an endowment. It is recommended that Mr. Brown leave the \$12,000 with the company to be paid to him as an income.

If all need for insurance in case of death has passed, Mr. Brown may "cash in" his twenty-payment life policy at age sixty-six for approximately \$730 per \$1,000, or a total of about \$3,650.

There being no further need for insurance, Mr. Brown would then do well to invest the total cash proceeds of the two policies, viz., \$15,650, in a refund annuity, payable quarterly.

This would pay him about \$1,800 a year.

LIFE-INSURANCE NEEDS

In order to help you in prescribing insurance to meet particular needs, the most common purposes served by life insurance are listed. These are only suggestive. In your canvassing you will find a hundred and one human problems which can be solved by life insurance if you will take the trouble to analyze the cases and find out how insurance will serve the purpose.

It goes without saying that you should understand the common needs which your company's policies cover. But the first-class salesman watches out for particular needs and particular uses to which his company's policies can be put. You can find unusual needs which have been filled by life insurance in the records of successful salesmen which appear in good insurance journals. You can find illustrations of needs for a specific

kind of insurance in many books which have been written recently taking up particular phases of the subject of insurance. For example, *The House of Protection*, by Griffin M. Lovelace, published by Harper & Brothers, would suggest numerous uses for income insurance. Also, to view the question from another angle, you can make mental insurance pictures of the people with whom you come in contact, whether there is any possibility of selling insurance to them or not. If you know of a family that has met with a financial disaster, figure out how a life-insurance program would have saved or helped to save them from this calamity. If you know of a family that has had difficulty in selling an estate, think how an insurance investment might have simplified the situation. You needn't take office time or soliciting time to do this. You can think over these needs to and from the office, or to and from an interview, but add the additional needs which you find to your list.

How Life Insurance May Be Used to Meet Human Needs:

I. For Family Protection:

(A) A husband may be insured for his wife in order to provide:

1. An extension into the future of any income such as salary, wages, interest, and the like that is contingent on his life.
2. A monthly life income. (Wife's income policy.)
3. A specific income for five years to

SELLING LIFE INSURANCE

cover the excessive expense during the readjustment period. (Salary-continuance policy.)

4. A certain amount payable in installments to bridge the years until the children are self-supporting. (Readjustment policy.)
5. Funds to pay off mortgages and debts. (Mortgage or debt policy.)
6. Money for burial expenses and to settle his affairs. (Clean-up policy.)
7. Cash for inheritance taxes. (The estate policy.)
8. The amount necessary to pay up building-and-loan shares or to create a sinking fund to meet obligations maturing at some future date.
9. Funds which will enable his family to continue his business or to wind it up without excessive loss. (Family business policy.)

(B) A father may be insured for his children to provide:

1. The funds necessary for his children's education. (John's educational policy.)
2. A life income for his daughter or for an invalid son. (Mary's income policy or John's life income policy.)
3. Special gifts for special days, like Christmas or birthdays. (Christmas or birthday policy.)

4. A lump sum with which his son can start in business. (Son's business policy.)
5. Funds to pay the expense of his daughter's marriage or a sum of money to be given to her when married.

(C) A wife may be insured for her husband or for her children to provide:

A sum of money which will decrease the economic loss to the family caused by her death.

(Note: In cases where the wife or mother has an independent income, she may take out insurance to cover the needs listed under (B).

(D) The son may be insured for the following reasons:

By the father—

To start him early on a life-insurance program.

To protect the financial investment which the parents have made.

To protect a loan for a college education.

To provide money or credit when he starts in business. (Son's career policy.)

To make it easier for him to provide protection for dependents after marriage.

By himself—

To afford protection to a dependent mother, father, sister, or brother.

To establish habits of thrift. (Savings policy.)

(E) A daughter may be insured for the following reasons:

By the father—

To start her early on a life-insurance program.

To protect the financial investment which her parents have made.

To protect a loan for a college education.

By herself—

To afford protection for a dependent father, sister, or brother. To establish a system of savings. (Savings policy.)

II. In Business Relationships:

(A) For Credit Stability and Collateral Security:

1. Indemnifies partners, stockholders, employers, or business associates for loss by death of the service value of an individual possessing experience, credit, influence, personality, or whatever quality would make it difficult, if not impossible, to fill his place without a loss of time, business, or efficiency.
2. Furnishes funds for the retirement of the interest of a deceased associate whose estate must be liquidated by the sale of his stock.

3. Protects the interest of minority stockholders of a corporation against adverse developments following the premature death of a man holding a predominating interest in the corporation.
4. Furnishes funds for the purchase of an associate's stock by the survivors in a "close corporation."
5. Protects business associates from interference in their enterprise by the heirs and legal representatives of a deceased associate.
6. Provides funds for the retirement of bonds or other indebtedness at death of person on whose life the insurance is placed.
7. Strengthens the financial situation of the company under changed conditions resulting from termination of patents, franchises, leases, and various long-time contracts.
8. Furnishes executors with ready cash for the settlement and the administration of estates and so precludes the necessity of sacrificing property in a forced market.
9. Meets impairment of commercial credit usually following the death of any important member of a business organization.

10. Protects credit loans against the contingency of death, thereby strengthening commercial credit.
11. Indemnifies loss probable through death of a debtor.
12. Protects a loan granted on an indorsement in the event of the indorser's death.
13. Provides a fund with which to pay current bills during the period of adjustment after an associate's death.
14. Provides an absolutely safe investment.
15. Wins the confidence of possible investors who are wise enough to foresee the effects of death on business.

(B) For Replacement and Extension:

1. Covers the depreciation in the value of property owned by a firm or corporation when affected by the death of a partner or associate.
2. Provides funds for the future extension of the business.

(C) For the Personal Benefit of Employees (Group Insurance):

1. Secures better co-operation from the employees through bringing about a closer relationship between employer and employee.

III. For Personal Needs:

1. To cover disability.
2. To provide a retirement fund for old age (for those who are dependent on salaries).
3. To provide a sure income for self and thereby provide the opportunity of disposing of property while living (especially for men or women of wealth).
4. To provide old-age pensions or death benefits for relatives, faithful employees, or servants.
5. To provide a means of perpetuating personal influence through bequests to charitable, educational, or religious institutions (especially for men and women of wealth).
6. To provide a fund through the cash values for financial emergencies.

THE AMOUNT OF INSURANCE

The table on the following page, which shows the portion of the income of the average family which should be devoted to life insurance, was compiled by Roger Babson, the well-known economic statistician, who says:

Thrift produces prosperity. To develop individual thrift is a pressing national problem. Thriftlessness, the American characteristic, is due to a lack of "know-how"—not to absence of the desire to be independent. Almost any man who tried to run his business in the way he finances his home—without a definite plan—would end in bankruptcy inside of a year.

Some months ago, in answer to inquiry, we published a table to indicate a balanced division of savings among life-insurance, in-

vestment, and speculative funds. The interest evoked brought a surprising number of requests for typical personal budgets. Repeatedly the question comes, "How much ought I to save?" While laboratory and engineering methods have been applied to the study of home economics, too little publicity has been given to the results. This is especially true as to their bearing on the larger incomes.

A WORKING PLAN FOR YOUR MONEY

Income	ACCUMULATION				Per Cent	LIVING EXPENSES				WELFARE	
	Per Cent	In-surance	In-vestment	Specu-lative Fund		Food	Shel-ter	Clothes	Operating Main-tenance	Per Cent	Educa-tion, Recre-ation
\$1,500	5	\$ 50	\$ 25	\$ 0	90	\$ 520	\$ 420	\$ 200	\$ 210	5	\$ 75
1,800	6	75	25	0	87	550	480	275	275	7	120
2,000	7½	100	50	0	85	600	480	320	300	7½	150
2,500	10	150	100	0	78	650	540	400	360	12	300
3,000	15	225	225	0	71	700	600	425	400	14	425
3,500	15	250	275	0	71	750	650	525	550	14	500
4,000	15	275	325	0	70	850	720	600	650	15	580
5,000	20	450	550	0	65	875	840	675	860	15	750
7,500	27	600	1,000	400	57	1,200	1,200	800	1,100	16	1,200
10,000 ¹	30	900	1,500	600	54	1,300	1,400	1,000	1,700	16	1,600
12,500 ¹	42	1,000	3,000	1,000	42	1,300	1,400	1,000	1,800	16	2,000
15,000 ¹	47	1,500	4,200	1,400	38	1,400	1,500	1,000	1,800	15	2,200
20,000 ¹	50	1,700	5,000	3,300	35	2,000	1,800	1,200	2,000	15	3,000
25,000 ¹	50	1,800	6,700	4,000	35	2,300	2,200	1,400	2,800	15	3,800
30,000 ¹	50	1,900	7,500	5,600	34	2,500	2,500	1,500	3,500	16	5,000
40,000 ¹	50	2,000	10,000	8,000	30	2,800	3,000	2,000	4,200	20	8,000
50,000 ¹	50	2,500	12,500	10,000	28	3,000	3,600	2,400	5,000	22	11,000

¹ Net after Federal income tax.

Investment—funds placed, on security, for income primarily. Speculative fund—employed primarily for profit. Shelter—rent or taxes, interest, repairs, and upkeep. Welfare—medical care, education, vacation, amusements, automobile, donations, and incidentals. Service and house servants, home equipment, and replacements are included in maintenance.

Our study of the question has taken into consideration the work previously done, particularly the Manning budget. Figures of experience have been adjusted in accord with the latest price trend. The basis is the usual one, a family of two adults and two children,

with allowance for service, or servants, according to income. Our aim in presenting this, however, is more than the literal application to "heads of family." To any person these figures show the maximum for expenditures if a fair minimum provision for the future is made.

Even large incomes, it can be seen, leave no margin for careless spending. On the other hand, anyone who will apply systematically even the lowest income will "get ahead." By adhering to this plan, with only such advance in earning power as may reasonably be expected, he will insure his future. Under "Accumulation" the insurance provided for is straight life, the largest death benefit for its cost. The "investment" sum, if accumulated with interest by the Babson Method, over probable earning years, will provide "retirement pay" according to income.¹

You, of course, should urge endowment, limited payment, and other kinds of policies instead of ordinary life, when these are better suited to the prospect's needs. In many cases, too, the amount suggested for insurance is far too low, for the man could only protect his family by investing a much larger portion of the savings fund in insurance. Otherwise, the figures give you a fairly accurate basis on which to work out individual budgets.

To the man with any selling experience it is probably unnecessary to state that the question of making a budget in order to plan for a definite amount as a life-insurance fund must be handled with considerable tact. No man cares to discuss his financial affairs with a stranger, and it is only when you are certain that your prospect feels that you are interested in his financial situation in a professional way—that is, in order to diagnose his insurance needs and to prescribe the in-

¹ Courtesy of the *Insurance Field*, issue of October 28, 1921.

surance program that will best meet these needs—that you should even suggest making a budget.

In cases where you are not sure that you have the complete confidence of the prospect, or feel that he would object to your questions concerning his financial situation, you may find it possible to place before him a table similar to Mr. Babson's. He can see what proportion of his income the average man devotes to life insurance and figure out for himself, without your questions, whether he is devoting a fair proportion of his income to the protection of himself and his family.

THE FIRST DUTY OF EVERY MAN

“For the great mass of people with dependents,” says Solomon Huebner, Professor of Insurance at the University of Pennsylvania, “life insurance should be the first type of security to be purchased. Where a dependent family is at stake it is the height of folly to urge investment in other directions, and it is quite beside the point to offer laborious explanations of the relative merits of various classes of bonds and other types of investment. The first duty of every man is to protect his household against want in case of premature death, and this can be done only through the purchase of an adequate amount of life insurance. As is well known, life insurance offers a convenient and safe method of accumulating a savings fund at a very fair rate of return. But the greatest purpose of life insurance is to protect. It takes time to save, and where dependents must be protected, life insurance alone guarantees the accumulation of a competency against the contingency of the saving period being cut

short by an untimely death. The great mass of people live only within the life-insurance stage and are removed by thousands of dollars from the point where they can judiciously become direct investors along other lines."

Sell yourself this idea and you will have little difficulty in impressing it on your clients.

V

THE APPROACH

THERE was a certain wealthy man in Minneapolis who took great delight in making life-insurance agents uncomfortable. If one of the insurance managers in the city wished to break in a new man, he sent him to interview this particular gentleman, and if the prospective salesman returned from this man's office and still insisted that he could or would like to sell insurance, the manager considered that this young salesman had had sufficient initiation ceremony to entitle him to all the rights and privileges of the insurance craft. A certain young man beginning in the business was sent to solicit this particular gentleman for insurance. Before the young salesman called he ascertained his prospect's real hobby, which was betting. It is said that this prospect would sit in a hotel lobby and bet that out of the next forty who came in ten would be women. At a ball game he would bet on every play. This young salesman found this out and arranged his plans of selling accordingly.

He went to call on this man after careful preparation. He was met in the outside office by a young lady who said to him, "Your business, please?" He took his card and wrote on it just one word, "Betting," and sent it in. He was admitted promptly and was greeted by the old familiar salutation:

"Well, what can I do for you?"

He promptly replied, "My company would like to wager that you will be alive at the end of this year."

"What did you say?"

"My company will bet you one hundred thousand dollars to four thousand dollars that you will be alive a year from to-day. Are you on?"

"You bet."

This is one of the few approaches on record which includes a complete successful selling talk. The appeal in this case was effective enough to put over the sale without further explanation. Why? Because the salesman knew his prospect's interests well enough to be able to tap them immediately as he talked insurance to him in a language he understood. He took the "You" attitude which is essential whether you are selling automobiles, political ideas, religions, or life insurance.

Study the great sales of history and note how powerful the "You" attitude has been in bringing about far-reaching results. It is always a good rule to start your approach with "You" rather than "I." When you make the opening with "You" it forces the prospect to pay attention immediately, because you are talking about him. He is not much interested when you start with "I." *The Book That Has Helped Most in Business* gives this account of one of the finest approaches in history:¹

"A salesman named Paul arrived in Athens one morning in a very dilapidated condition. He arrived on foot because he did not have car fare, and his costume was so ragged that you wouldn't have allowed him to han-

¹ Courtesy of the *American Magazine*.

dle your line for a minute. Moreover, he had other disadvantages. He was little and homely and rather squint-eyed. The line that he was pushing was about as popular as German measles in an English army camp. The city was overstocked with brands that had been used for years and were regarded by everybody as superior. His brand had had no advertising, and what few purchasers there were in the city were of the least respected class.

"Some opposition to go up against, wasn't it? Was he discouraged? Not he! He pushed his way right up to the center of the city where the wise ones were gathered; and just for the fun of it they gave him a few minutes' time. There they stood, the most sophisticated audience in the ancient world, and facing them an unkempt, dusty little foreign salesman. They were ready to jeer at his first word. If he had said, 'I should like to interest you in something new in religions,' or, 'How are you fixed for religions to-day?' they would have hooted him out of town. Religions? They had barrels of them unused.

"Instead of which he said—what?

"Men of Athens, I want to congratulate you on having such a wonderful line of religions. For as I passed through your city I perceived that you not only had altars erected to all the known gods, but that you had even erected one inscribed 'To the Unknown God.'

"Now it's a curious coincidence that the very God whom you have been worshiping without knowing Him is the very God I represent."

Can you find in all the literature of salesmanship an

appeal which leads to the subject more completely through the prospect's interests?

Or take the approach of the wonderful Greek orator, Demosthenes, in the speech which so moved the people of Athens that they drove his political enemy into exile:

• "First of all, fellow-citizens, I pray that God may inspire in your hearts on this occasion the same impartial good will toward me that I have always felt for Athens and for every one of you."

No reference to Demosthenes' own grievances, no accusations calculated to inflame his audience immediately against his enemy. The opening remarks of "the world's greatest oration" made their appeal to the people of Athens by identifying Demosthenes' cause with theirs. He took the "You" attitude.

In every interview, try to view the situation from the prospect's side of the fence. As you enter he is probably saying to himself, "How can I get rid of this insurance agent who wants to waste my time? He thinks he can get me to take out a lot of insurance, but he can't." He doesn't want you to sell him insurance, so you must do something that he does want you to do.

Of course, you want to sell him insurance, but you believe that you have something that will do him a service—that will fill a need. Say so, then, for that is what he does want.

He doesn't want to hand over his money to you for an insurance policy, but he does want to see that Mary and John have a good education and that his wife can live in the same home if anything should happen to him. Make him feel that what you are interested

in is his own particular, individual, special problem, and you will scarcely ever fail to secure an interview.

Of course, the insurance salesman, when he walks into the prospect's office, cannot tell what this prospect's situation or interests are—cannot tell whether he is a bachelor, married man, divorcé, or widower. But “watch your step” until you do find out and then talk from the point of view of his interests. If you know nothing about his responsibilities and do not feel that you can ask him to tell you, you can usually use the plan of showing him several insurance programs and asking him if he would like to have a similar one prepared for him. Or, if you are selling inheritance-tax insurance, for example, hand him a table like that on the opposite page, showing the tax rate on different incomes in your state, with the remark, “You can see for yourself how much it would cost you to die.” He will probably give you the information that you wish or his pencil will stop near the figure of his income and you can base your talk on an income of that size.

Secure specific information, if possible, before you attempt an approach. But if you find that it would require too much time to get this information, you can get it from the prospect, unless your mind is “heavy on its feet.” The “running high jump” is easier for any athlete than the “standing high jump” and the highest records will always be made probably by the man with the running start. But high records for the “standing high” are entirely possible for the trained athlete, and big sales in the “cold canvass” are entirely possible for the salesman who has had some practice in using his brain.

INHERITANCE TAX AND ADMINISTRATIVE EXPENSES ESTIMATED COST OF SETTLING AN ESTATE IN NEW YORK STATE

Amount of Estate	Federal Estate Tax	New York State Inheritance Tax	Total Taxes	Estimated Expense of Administration	Total Taxes and Estimated Expenses ¹
\$ 60,000.....	\$ 100	\$ 850	\$ 950	\$ 3,000	\$ 3,950
70,000.....	200	1,050	1,250	3,500	4,750
80,000.....	300	1,250	1,550	4,000	5,550
90,000.....	400	1,450	1,850	4,500	6,350
100,000.....	500	1,650	2,150	5,000	7,150
125,000.....	1,000	2,350	3,350	6,250	9,600
150,000.....	1,500	3,100	4,600	7,500	12,100
175,000.....	2,000	3,850	5,850	8,750	14,600
200,000.....	2,500	4,600	7,100	10,000	17,100
250,000.....	4,000	6,550	10,550	12,500	23,050
300,000.....	5,500	8,550	14,050	15,000	29,050
350,000.....	7,500	10,550	18,050	17,500	35,550
400,000.....	9,500	12,550	22,050	20,000	42,050
450,000.....	11,500	14,550	26,050	22,500	48,550
500,000.....	13,500	16,550	30,050	25,000	55,050
600,000.....	19,500	20,550	40,050	30,000	70,050
700,000.....	25,500	24,550	50,050	35,000	85,050
750,000.....	28,500	26,550	55,050	37,500	92,550
800,000.....	31,500	28,550	60,050	40,000	100,050
900,000.....	39,500	32,550	72,050	45,000	117,050
1,000,000.....	47,500	36,550	84,050	50,000	134,050

¹ In addition to the above, sufficient protection should be offered to cover loss of administrative head, debts, and other contingent liabilities. Taxes by several states on various assets might materially increase the above amounts. It is assumed in this table that the entire estate is left to one Class A beneficiary, viz., wife, husband, child, father, or mother. Estates of \$50,000 or less are exempt from federal estate tax.

If your information about a prospect is incomplete, don't neglect the things his office can tell you. If he has a child's picture on his desk, there is probably nothing in the world he is more interested in than in that child, and it will take very little effort on your part to make him talk about that child and give you information on which you can base your sales talk.

"That's a bright little youngster," was the remark of a gentleman who was waiting in the office of a rather austere judge.

"That's my baby, but that was taken some time ago. She's about ready to enter college now."

"Is she your only child?"

"Oh, no! Three others. The two girls are married, though, and my boy expects to enter law school this year."

The gentleman wasn't a salesman, but the same remark from an insurance salesman would probably have produced the same picture. But the question, "How many children have you?" would probably have been answered with, "Four—three girls and a boy."

IMPORTANCE OF KNOWING YOUR SUBJECT

A book agent walked into my office recently in order to try to sell me a set of American histories. I wasn't interested, and said so. In spite of the fact that three walls of the office were lined with books, many of them his own company's publications, his reply was: "Not interested in good books! Why, almost everyone is interested in good books nowadays! Perhaps you would be interested in the classics?"

Think how differently the interview might have progressed if he had said:

"You have such a splendid collection of books here that you must have several good American histories. But I wonder if any of them discuss the subject in this particular way."

This salesman, so called, was trying to sell American histories, but he couldn't talk American histories because, apparently, all he knew about American histories was included in the talking points on this particular set of books which had been provided by his company.

You can't be expected to talk intelligently on the individual interests of every prospect, but you know the kind of prospect who will buy the kind of insurance you are selling, and you must know those things which he would expect you to know about that insurance or he will start saying the funeral service over your interview at the very beginning.

If you are trying to sell business insurance, for example, your prospect has a right to expect that you are familiar with general business methods and principles, that you have a knowledge of corporate and partnership law, and that you have some knowledge of banking and credits. Cases have been written by men without this knowledge, but the chances are more than even that the prospect's remarks or inquiries will make you reveal your ignorance at the very outset, if it exists, and your approach will be turned into your close.

Moreover, you can't hope to win your prospect's confidence in your ability to prescribe the plan of business insurance which will best fit in with his interests unless you feel that confidence in yourself. And you

can't feel that confidence if you have a lurking fear that he may spring a business question on you that a business insurance salesman should know about and concerning which you have no information. *Printers' Ink* tells the story of a gypsum salesman who called on an architect to try to persuade him to specify gypsum tile for the partitions and for fireproofing the columns of the building.

"We are just getting around to that," said the architect, "but we are pressed for time and haven't had a chance to check our original estimate on how much material will be needed. Come around in a day or so and I'll talk it over with you."

The salesman courteously asked to see the blue prints. He figured on the back of an envelope for a few moments and announced his result, which was found to check closely with the first estimate. Gypsum tile was decided on then and there, the architect expressing surprise at meeting a salesman who was not only not afraid to look a blue print in the face, but could read it accurately and dependably.

The ability to render a similar sort of service to the prospect in the insurance sale will distinguish you from the rank and file of agents and will consequently increase your chances of selling.

If the prospect states that he can't afford insurance and you can bring out a set of family budgets and, with a little tact, show him how he can afford it, your chances of being able to present the proposal that you planned are certainly far greater than if, by the most clever arguments, you are able to convince him that he is looking at the proposal from a wrong viewpoint.

It goes without saying that the more things you do know about, the broader your knowledge, the more points of contact you will have with your prospect. If you find your prospect reading the sporting news in the evening paper and can talk baseball, the automobile races, the tennis finals, or whatever he is interested in, your approach is so much the easier. If you can talk his hobby, whether it is music or art or books or golf, the chances are that he will like you, and nine times out of ten we buy from the people we like.

DIFFICULTIES IN OBTAINING A HEARING

I. Being Stopped in the Outer Office.

"Mr. Jones is in conference just now. Do you wish to wait?"

"In reference to what did you wish to see Mr. Smith?"

"Have you an appointment?"

"What is the nature of your business?"

"Mr. Brown is dictating. Will anyone else do?"

"The best time to see Mr. Wells? Why, you can see him almost any time when he's disengaged."

"Would you like to leave your card?"

"If you will tell me what it is, perhaps I can attend to it?"

A recent issue of *Life* suggested these remarks "to be used discreetly by the genius of any outside office," and the average life-insurance salesman could furnish an even more complete list. The "genius of the outside office" is the first real difficulty which the salesman encounters; in fact, sometimes the most difficult barrier to pass.

The same remarks which apply to the "You" attitude in the approach to the prospect apply to the "You" attitude in the approach to employees. They are instructed to keep undesirable callers from their employer's office and to see that he is not interrupted in important work. But they are not instructed to keep out callers whom it would be to their employer's interest to see, and you must make them feel that your business is such that their employer's best interests would be served by seeing you.

Speak to the smallest office boy with respect and courtesy and you will almost invariably receive courtesy and respect in return. Stenographers are pleased when they are shown deference as ladies, and clerks like to be treated as gentlemen. They often have considerable influence and may do much to help or hurt your chances of a sale.

If you feel that you are able to render a service to the prospect and show that you are, you won't have much difficulty in getting past the "outer guard." If they consider you as a friend rather than a foe, they will be inclined to help you rather than hinder you in obtaining an interview. The following opening remarks will usually serve as passwords:

"Please tell Mr. Prospect that a friend of Mr. Blank's" (the friend who sent you) "is here."

"Please tell Mr. Prospect that Mr. Salesman has come to consult him on an important matter which requires his personal consideration."

If you are admitted on this introduction, follow it up with, "Mr. Prospect, I sent in word that my call was personal because I have found that many of my

clients object to letting their employees know that they are considering any financial proposition. My proposal is insurance. If you do not approve of the method I used in protecting you, this interview will close now. May I stay?" Good sportsmanship on the part of the prospect would usually let such a salesman stay.

Secretaries often present a rather difficult barrier, for they are instructed to learn your business before allowing you to enter the inner office. But this does not warrant them in assuming the right to transact business in their employer's stead and they are usually careful not to overstep their authority. In selling a commodity like life insurance, which concerns the prospect personally, it would be useless to discuss the matter with the secretary. You can say so courteously in somewhat this fashion: "I'm afraid it would waste your time and mine if I explained the matter to you about which I wish to see Mr. Jones. He will understand the situation and will have to decide on the question himself."

The private secretary is used to dealing with big business men and will respect any salesman who puts himself on an equal with them.

Opinions differ among salesmen as to the advisability of using a card. Some salesmen prefer a simple card giving merely the name, and count on the curiosity of the prospect as to his business to secure the interview. Others consider that the prestige of their company is a note in their favor and prefer that the prospect knows their business at the outset. Still others prefer to send in a note in answer to the prospect's request for a card, asking if they may see him on a personal matter.

2. Unwillingness of the Prospect to be Interviewed.

Occasionally a prospect sends word that he is "busy" or "not in," with the idea that the delay will wear down the salesman's patience or enthusiasm. Your time is just as valuable to you, however, as his time is to him, and if your wait is overlong you will create a better impression if you simply say, "Please tell Mr. Prospect that another appointment prevents my waiting now, but I shall return at — o'clock, for the matter about which I wished to speak to him is too important to put off very long."

If the prospect sends word that he does not wish to be interviewed, you have a difficult situation to overcome. Having once taken the stand that he does not wish to see you, it will take unusual methods to make him back down.

If you didn't care for a man's personality, you might make the statement that you didn't want to do business with him. But if later you believed that you could sell him a large insurance policy, you would probably not let your opinion stand in the way. Your self-interest is stronger than your objection, and this self-same self-interest may be appealed to in surmounting the barrier which the prospect raises in the path of your sale.

Also, you might distinctly state that you did not wish to be interrupted in a certain piece of work which you were doing, but if you heard a strange noise outside your window you would get up. Curiosity concerning the unusual noise would overcome your objection to being interrupted, and you can also play upon the

prospect's curiosity to gain an interview. "Please say to Mr. Prospect that Mr. Salesman has some information for him regarding his personal investments," is a remark which may appeal both to the prospect's self-interest and to his curiosity.

An unsigned blank check made out in the prospect's wife's name may arouse his curiosity if you hand it to the messenger and say, "Please ask Mr. Prospect if this means anything to him and tell him I want to explain it to him." The follow-up, of course, explains that deposits in the form of an ordinary bank account are diminished by the use of checks, but life incomes depend on a safer source.

It is only the occasional sale that is made through actual trickery in the approach. If other than fair means have been employed, you are very likely to be received like a salesman who is said to have penetrated the inner sanctum of the late J. Pierpont Morgan.

"How did you get in here?" Mr. Morgan asked.

"Walked in."

"Well, walk out."

3. The Presence of a Third Party.

"Two's a company, three's a crowd" applies quite as well to the life-insurance interview as to a slightly more romantic situation. The presence of a third party, whether this third party is a mutual friend or stranger, creates an unfavorable situation which should be avoided by the salesman. If you suggest, however, that you have come on a personal matter which the prospect would not care to discuss in the presence of another person, the visitor will probably leave or the

prospect will be willing to make another appointment. Be thoroughly courteous, but say:

"Mr. Prospect, I see you are busy just now. As I wished to see you about a personal matter, could I make an appointment for this same time to-morrow?" Or, "May I come to your office at three P.M. to get some confidential information?"

TIME AND PLACE FOR THE APPROACH

The best-laid plans for an effective approach may be spoiled by a poorly chosen time or place to make that approach. No man cares to be interrupted at his meals, nor to have his office schedule interrupted. Also, you may be able to talk insurance to a big business man in the privacy of his own office, but a man holding an unimportant position with a desk in an open office would prefer to see you in his home.

All this, of course, goes back to the original slogan, "Know your prospect." It is as much to your advantage to know his habits in order to know when to approach him as to know how to approach him.

For example, an energetic life-insurance agent tells of having driven out to the country one Sunday, and, as he happened to be in the neighborhood of a prospective purchaser, decided to try for an interview with this farmer in order to avoid making the same trip the next day. The farmer and his wife happened to be New England Puritans, however, and looked upon this man who wished to sell insurance on Sunday as a messenger of the devil from whom they wouldn't buy insurance then or at any other time.

It would be absurd, of course, to make the statement

that you should try to sell insurance for family protection in the home and insurance for business purposes in the office. Nevertheless, we are safe in saying that often the home surroundings furnish good stage settings for your appeal, and the business atmosphere helps the prospect to picture the situation which you are trying to impress upon his mind.

GREETINGS

Your manner of greeting your prospect will vary according to the local customs of the people in your territory. In a rural community you might shake hands with your prospect and take a chair without being asked to do so, and your prospect might not consider that you had overstepped the mark. But the same procedure might create a highly unfavorable impression on the business man in the metropolitan district. It is quite impossible, however, to lay down any definite rules, for you will find the aloof prospect in the rural community and the hail-fellow-well-met prospect in the metropolis. As you learn to size up men when you meet them, you will have to learn to decide on the particular kind of greeting which would create the most favorable impression on that prospect.

MATERIAL FOR THE APPROACH

An article in the *New York Times* tells the story of a member of the Russian diplomatic corps who showed unusual cleverness in gaining an audience with Abdul-Hamid, then Sultan of Turkey.

It appears that the Sultan had consistently refused to see any member of the diplomatic body at Constanti-

noble, and during the period in question spent much of his time in cockfighting, an amusement of which he was passionately fond. The Russian learned that His Imperial Majesty had been having rather heavy losses and needed fresh birds to replace those killed in the fight. The wily Muscovite thereupon procured a fine-looking white fowl of the barnyard species, had it trimmed and spurred in true gamecock fashion, and sent it in a richly decorated cage to the Sultan.

Abdul-Hamid was at first delighted with the gift, but soon sent for the diplomatist to explain, if he could, why his bird showed so little inclination to fight. The Russian went and, in the presence of the Sultan, examined the bird. With great regret he came to the conclusion that it was quite unable to cope with the royal gamecocks, which were undoubtedly of a superior breed.

A conference followed to consider the subject of gamecocks in general, and when this was over the Russian succeeded in turning the conversation into different channels, and in time adroitly introduced the business of his country. After a long interview he returned to the Embassy triumphant over his colleagues.

We are not recommending the wiles of the Russian, but we must acknowledge that he showed considerable ingenuity in his approach. No amount of argument would have gained him the audience which was gained by a knowledge of his prospect's needs and a good opening, with, of course, a definite plan of procedure as a follow-up.

Whether you are making your approach with little or much information about the prospect, you will

usually have to use an opening suggestion to bring before the prospect's mind the subject which you came to discuss. The best sort of an opening should relate to the prospect's own interests, should arouse curiosity, stimulate interest, and should have an element in common with the subject which we came to discuss (insurance, in this connection).

Of course, the Muscovite's fowl had little to do with the political questions of Russia, we must admit, but it touched on the interests of the Sultan in a way which the Russian had reason to believe would call him into His Imperial Majesty's presence, and, once there, he was clever enough to lead the conversation into the channels where he wished it to go.

Good short-story writers usually use effective openings. Their striking first sentences stimulate our curiosity or interest in the tale which they are about to tell. Open a volume of Kipling's short stories and what do you find?

"If you consider the circumstances of the case, it was the only thing that he could do. But Pambé Serang has been hanged by the neck till he is dead and Nurkeed is dead also."

Take O. Henry: "There are many kinds of fools. Now, will everybody please sit still until they are called upon specifically to rise."

Or, Leonard Merrick: "Having bought the rope, Tournicquot wondered where he should hang himself."

Would you read any one of these opening sentences and close the book without reading the rest of the story? You wouldn't. Nor will the average prospect close the interview without hearing the rest of your sales story if

you plan an approach to open the interview which will stimulate interest as do these sentences in opening the story.

An opening suggestion may be a remark or it may be an object which you place before the prospect's eye or a combination of both. *Printers' Ink* tells the story of a life-insurance agent who used the familiar, "Will you support your wife as long as you live or as long as she lives" advertisement as an opening suggestion to an interview which produced a \$25,000 policy.

Other opening suggestions which may introduce the subject of insurance are:

Advertisements clipped from the "Situations Wanted" columns of the newspapers in which widows are seeking employment.

A picture of some enthusiastic patron of life insurance published in connection with a social or business event of national or local interest. In this connection the statements made by the present Cabinet members make a splendid opening wedge.

An article describing the death and interrupted activities of some favorably regarded individual.

A chart of federal and state inheritance taxes.

One agent used a blue print to illustrate his life-income propositions. He used the blue print very effectively when presenting the proposition to engineers and architects.

An advertisement of some local bank or trust company or an advertisement from a life-insurance journal which presents a life-insurance argument in a striking way and shows the necessity of providing a guaranteed income for the wife and family.

A cartoon or an illustration is often very effective.

A deposit slip of your prospect's bank, or some local bank, filled out with his wife's name. Place this before him and wait for him to ask what it means. Add the amount you intend to propose and ask him if that sum means anything to him. If not, will it mean anything to his widow?

Checks on local banks, in series for monthly incomes, or a check for a lump sum, payable to his widow, may be used. Leave signatures blank and insert a question mark for the date—it emphasizes the uncertainty of life.

There are several other ways in which you can use the check to illustrate your point:

(a) Lay a check on a local bank before him, filled out, payable to his wife for the amount of monthly income she should have.

(b) Fill it out with the amount of insurance you intend to propose, signed by his own name. Tell him you can make the check valid for his widow.

(c) Fill it out in either way and leave signature blank. Tell him you can get your insurance company to sign it.

The following verbal suggestions may also serve to open the interview:

“Mr. Jones, you have a wonderful plant here. I suppose it is covered by insurance? Then why do you leave the most valuable asset you have without a cent of insurance?”

"Mr. Jordan, in this present period of financial uncertainty would you be interested in an offer by which you could avail yourself of the judgment of men who are experts in handling financial problems?"

"Would a plan that would enable you to retire from all business duties and to enjoy all your hobbies interest you?"

"Mr. Brown, advertisements like this appear so often nowadays that I wondered whether you had made sure that this couldn't happen to Mrs. Brown." Use advertisement like this clipped from the *New York Times*:

AMERICAN WIDOW, Protestant, not a servant, wants charge of apartment for business women, or will act as practical nurse; New England training; home with refined people desired more than compensation.

"Mr. Smith, my company has sent me out to ask why a man of your prominence in the community does not carry correspondingly sufficient protection?"

"Mr. Davis, if the president of your company sent word that he wished to talk over a proposition by which at sixty you could quit your job and have your salary handed over to you just the same, would you be interested?"

"Are you interested when a salesman advises you of the fact that something you use every day is going up in price?" (Change of age.)

"What have you done to make up for the loss in your business when your fine ability has been withdrawn?" Or, "What arrangements have you made for buying out your partner?"

"Are you carrying enough life insurance to pay for the shrinkage in your estate?"

"What provision have you made for underwriting your son's education?"

"Wouldn't you have a feeling of satisfaction if you knew that one of the strongest financial institutions in the country would pay your wife one hundred dollars a month as long as she lives?"

"How long would your present income continue after you are gone? My plan will perpetuate it indefinitely?"

"Mr. Jones, would you like to perpetuate your present fine ability to provide for your family as long as they live, and at the same time protect them from the business pitfalls you are daily evading?"

"Mr. Travis, is your insurance adjusted to fit your particular needs or could I be of service to you in arranging a definite plan for you?"

"Mr. Thompson, the increased cost of living has forced you to lay aside more money for almost everything you consider a necessity, I suppose. How about your life insurance? Life insurance hasn't gone up, but the things life insurance was intended to provide have."

"Mr. Brown, here is an attractive investment plan which I knew would interest you because it touches on so many problems in which you are interested." (Show life-insurance program similar to one which would be prepared for him.)

A brief similar to the one reported in the Agents' Plans of the Insurance R. and R. Service makes an effective opening wedge for a lawyer:

INSURANCE COMPANY,
Plaintiff,
vs.
ANDREW T. MONSON,
Defendant.

CASE IN EQUITY
"THE PRESENT" CIRCUIT
MONSON, J.

In the above entitled cause P. P. Fink, attorney for the Plaintiff, appears before the Court and alleges as follows:

1st.—That the family of said Andrew T. Monson, defendant, is not fully and properly protected in their insurable interest in the life of the said defendant.

2nd.—That the said family would therefore suffer a material and irreparable loss in event of the death of the said defendant.

3rd.—That the estate of the said defendant has been accumulated by him as a result of his careful and conservative plans faithfully executed in accordance with his best judgment; that, further, its safety and preservation are in great measure dependent upon a continuance of his personal supervision, and that the event of his death, either prematurely or at the time it is appointed unto all men to die, would be a shock to said estate, and that the income from the same necessarily would be diminished by reason of the discontinuance of his careful and conservative supervision.

4th.—That the welfare of his said family and their ability to continue in the enjoyment of accustomed comforts, comforts which by use have become necessities, depends upon the preservation of the said estate, and the maintenance of the income from the same.

5th.—That the said defendant, Andrew T. Monson, has absolutely no determination of the time of his death, but must go when called by a Higher Power, and that when so called it may be too late properly and securely to set his house in order.

6th.—The said Plaintiff further alleges, that the said defendant has failed properly and securely to assure to the old gentleman, Andrew T. Monson, if then living, a competence in his old age, that the security and peace of the old gentleman's declining years, as at present provided for, depends upon a continuance of the present good health and sound judgment of the said defendant,

and that in view of the hazards to be encountered, such present provision is insufficient.

7th.—That by reason of the neglect of the said defendant fully to protect his family in their insurable interest in his life, the example so set before others who through friendship and acquaintance, as well as professionally, have learned to trust and respect the judgment and wisdom of the said defendant, may work irreparable harm to the families of others, in encouraging a like neglect in properly protecting their dependents.

8th.—That the said defendant has not fully grasped the significance of his untimely death to his family, and the loss to be occasioned thereby, and has therefore neglected to take the last step toward making absolutely safe and secure the estate, income, and material welfare of his said family, or if then living, the security and peace of the old gentleman, Andrew T. Monson, in his declining years; which last step can be fully consummated, while still in good health, by the acceptance and adoption of the plan proposed by the said Plaintiff, The Insurance Company, of procuring the necessary insurance policies.

All of which allegations are true as we verily believe.

Inasmuch as these insurance policies can be taken and paid for during the lifetime of the said defendant, without injustice to the members of his family, or depriving them of the comforts of life; therefore, the said Plaintiff by its said attorney, respectfully prays your Honor, the Court, to issue an order to the said defendant to show good and sufficient cause why he should not take and carry these policies on the basis of the statement of same hereunto attached.

INSURANCE COMPANY,
Plaintiff.

(Signed) P. P. FINK,
Attorney.

A statement that set out the kinds of policies suggested, when payable, and the deposits called for, was inclosed.

The result was an application.

You will notice that the brief made the prospect both "defendant" and "judge," so that he was called on to pass judgment on himself—to think.

WRITTEN METHODS OF APPROACH

The writer wishes to urge upon beginners the advisability of having something tangible to show or talk about during the first few minutes of the interview. X The Manning system of selling life insurance is particularly valuable because of its emphasis on the written approach. Every approach is prepared in advance. A definite insurance proposition is submitted on a type-written sheet. This is presented to the prospect with the request that he read it. The Manning system gives many illustrations of these approaches. You should study them with the idea of developing some of your own.

One very successful agent prepared a brief statement of an insurance policy and then made his approach like this: "Mr. Taylor, you probably have never seen a life-insurance proposition in Anglo-Saxon before" (smiling as he hands the statement over). "Here is all there is to it." (The proposition usually covers one sheet.) "That is the proposition if the policy becomes a claim the first year. The tenth year. The twentieth year." A discussion of settlement follows this. You do not have any idea how attractive such a proposition is until you have outlined it this way.

ATTITUDE OF THE SALESMAN

When you are really anxious to influence action, you are confident and speak as one having authority

through superior knowledge or previous experience. If you want a man to read a newspaper article, you don't say, "Perhaps you will be interested in this information." You say, "Read this." If you are really recommending a summer resort to a friend, you don't say, "You might like —— if you like to play golf." You say, "Go up to ——; the golf course is great."

This doesn't mean that you must start the interview with positive remarks like, "Look at this wonderful inheritance-tax contract." But, for example, if you ask a friend how he is fixed for insurance and he tells you that he has all he needs, don't say, "I don't think that you have." "I'll bet you haven't. How about your inheritance taxes?" will get much prompter action.

You can dominate without monopolizing the conversation. You have a tremendous advantage over the prospect because you can plan what you want to say. He may occasionally throw you off the track by bringing up unusual objections, but these usually fall into one of a relatively small number of forms (discussed in Chapter VIII) which the salesman soon learns to handle and from which he can swing back into the talk which he had planned. Steer the conversation where you want it to go, but don't give the impression which led a business man to remark, after several interviews, that his idea of a life-insurance salesman was "one who speeds along hitting on all six, while you get a few words like endowment, your widow, benefits, dividends, until out of breath he makes a pause." Let the prospect talk if he wants to. Ask him questions if he hasn't much to say. In any case, draw him into the

conversation. People yawn in church, but not at an auction.

In this chapter we have suggested ways of beginning the conversation with your prospect which successful salesmen have used in switching the mind of the prospect on to the insurance track. They may prove useful to you, but don't misunderstand their purpose. They are not included as clever devices for selling insurance, but are suggested as methods which may give you the opportunity of presenting to the members of your community the ways in which life insurance can help them to meet their obligations and to carry out their life's objectives. If you work with the spirit of the real life underwriter, you will consider them not as the equipment for performing clever tricks, but as the necessary tools of the professional man.

VI

MANAGING THE INTERVIEW

MANAGING the interview is, in reality, planning the presentation of your appeal in such a way that the prospect's mind responds throughout the interview in a manner which will lead him eventually to signing the application. A sale, after all, is nothing more than a series of situations created by the salesman with corresponding responses made by the prospect, and in managing the interview, you are planning your questions and your remarks so that they will present certain situations to the prospect which will produce certain responses. You are the engineer who guides the train of the prospect's thought.

As you study this chapter on "Managing the Interview" keep the thought constantly in mind that you are reading principles and illustrations which will give you the power to keep the prospect's mind on the track. Practically every normal human being is interested in some form of insurance. He may not be interested in insurance as such, but he is always interested in what insurance will do for him. The fact that he is interested in what insurance will do for him gives you a certain ready-made track over which you must draw his mind. If he gets on a side track or runs into an open switch it is because you as the engineer allowed

him to dwell on the idea of insurance as such instead of what it will accomplish for him. You did not obey the track signals. Watch your prospect to see what interests him. Those are your undeniable signals. If you were an engineer on the "Twentieth Century" and received the signal that there was a washout ahead you wouldn't disregard that signal. You would go around by another track. Likewise you as the salesman will often find it necessary to go around an objection or a prejudice. But remember your business during the interview is to keep the prospect's mind on the track.

Of course, there is no definite dividing line between the approach and the main part of the interview. The first impression plays a very important part in influencing the prospect's mind for or against you, and, consequently, for or against the proposal which you present. For convenience, however, since we have discussed the "approach" in the preceding chapter, we shall consider the "interview" as that part of the sale occurring after the prospect ceases to be a passive listener and shows enough interest to ask a question or to make an objection other than his first "I don't need it"—"Don't want any more insurance" excuse.

The interview is very much like a tennis game. Your approach is your "serve." If, in the first place, you fail to reach your opponent's side of the court, if your ball does not go over the net, your point is lost and you must try again. If your approach is not effective in securing an interview, you will have to make another try for that prospect at another time. If the serve, the "approach," does "get over" and the pros-

pect has no "come-back," you can launch right into your selling suggestions as the next play. If your opponent can return your serve, however, which is usually the case, you must carefully watch just how he returns it and guess where he plans to place the ball in order to plan for your own return. And just as closely you must watch the prospect's play in selling in order to plan your own tactics.

There is no human being, having been provided with racquet and balls and placed behind the serving line, who would, with no practice, make a very formidable opponent at the relatively simple game of tennis. Nor is there any living insurance agent, having been provided with specimen policies and a rate book and placed in the presence of a prospect, who would, with no experience, put up a very "fast game." At the start, one man might be better than another as one tennis player might be better than another, but before any salesman can make a real success of selling he must practice hard to gain experience in judging his opponent's, his prospect's, plays.

You will never find two men who put up exactly the same sort of game, whether they are on the other side of the net or the other side of the desk. You will have to vary your game with every person with whom you play, but you don't have to work up a new game every time you meet a new opponent. If practice has given you a "good service" and a "swift return" you stand a "fighting chance" with any opponent.

Nobody could teach you to play tennis unless you went to the court to practice. But if you are willing to put hard work into your practicing, a good instructor

could teach you many things which otherwise you might have to learn by the wasteful trial-and-error method.

A story is told of a swimming instructor in Chicago who advertised that he would teach children to swim without the necessity of the children going into water. He had all sorts of contraptions to teach the children the various strokes and methods of breathing. Later one of the boys who had been told that he could swim went out to the lake. His mother asked him later how he got on. He answered: "*I sank*. You need water to learn to swim."

Nobody can teach you to sell life insurance unless you try actual selling, but a brief study of psychological principles as they operate in the sale will give you an understanding of human behavior, how people react under certain situations, and will help you to formulate the action-producing appeals which will increase your sales.

INSTINCTIVE RESPONSES

As we have said before, it is impossible to predict with certainty the response of the individual to a particular situation. But you are relatively sure of what will be the response of a man if you call him a liar, and you know fairly well how he will react to a tactful compliment. The human mind does react in a fairly uniform way, due largely to certain innate tendencies which are, in reality, the mainsprings of action. These inherent tendencies make us all fundamentally alike. To state the same fact in other words, instinct is the prime mover of human behavior. We come into the

world laden with a great many of these characteristics which direct and influence our behavior. "Doesn't education have any effect?" you may ask. Education does tend to modify our instincts, but it by no means eliminates the powerful effect they have in governing our action.

What are some of the instincts to which the salesman can make an appeal in life-insurance selling?

The instinct of eating is, of course, important. All of us are so constituted that a strong appeal can be made to this instinct. There are some people, probably the uneducated, to whom I should be perfectly satisfied to say, "How would you like to make it absolutely certain that your wife and children will have three square meals a day?" Many people react favorably to this expression, and it is probably the way to put the question to them. To the average man of some little refinement and education, we say, "How would you like to know that your wife and children will be provided for as long as they live?" This is about the same statement; you are appealing to the instinct of eating, but you are making the appeal in a little different manner and language for a man who is more refined and better educated.

There is the instinct of manipulation. Everybody likes to finger things and to manipulate objects. This instinct is shown in the child of three or four months of age as he begins to handle and to manipulate objects. One of the strong points of the Manning system of selling insurance is the appeal it makes to the manipulative instinct. The salesman's opening statement is: "I have carefully prepared a proposition for you. Will

you read it?" The prospect takes the proposition and reads it. This furnishes an opportunity for the arousal of the manipulative instinct. The writer is not very enthusiastic over the idea of submitting sample policies, because they have no particular meaning for the prospect. Irrespective of this opinion, the tendency to manipulate things explains why some salesmen carry sample policies and why others put articles or objects before a prospect. They are making an appeal directly to his manipulative instinct. One salesman, who makes a specialty of selling thirty-year endowment policies to young men in the twenties, carries with him a unique dime savings bank to illustrate that a dime a day will pay for \$1,000 insurance.

We can sometimes appeal to the instinct of acquisition or possession. Many men take insurance merely because they like to acquire it and for no other reason. There are people who call about once a year to get some additional insurance, whether they see a particular need for it or not. They like to acquire several policies. This is merely a form of the hoarding instinct.

There is the instinct of desiring approval. All of us like the approval of our friends. Quite a disturbance was raised in a certain community because several wives, in discussing the question of insurance, found that the husband of one of the women carried a very large amount of insurance. The other wives were interested to know why certain other husbands didn't carry the same amount of insurance; they wondered why it was that one husband thought enough of his wife to have \$75,000, and another only \$25,000, and another \$10,000. Some additional insurance was sold.

When the salesman sells insurance to the young man beginning his career on the basis that his habits of thrift will raise him in the estimation of his employer and, consequently, will increase his chances for promotion, this appeal is made to the same instinct.

The instinct for mastery and leadership may be appealed to in the sale. Show what other people, the leaders of the community, have taken out. Your prospect wishes to be known as one of the leaders, and consequently must do what they do. To some men this is a very strong and forcible appeal. Many companies and agencies compile a list of the men who carry a certain amount of insurance with their company. This list is used by the agent in soliciting. The salesman says to the prospect: "Here is a list of the prominent men who carry a certain amount of insurance with our company. I want you on this prominent policyholder's list. Let me have your application for"—seven or twelve or fourteen thousand dollars or whatever amount is necessary to put him on the list. This may be the only sales suggestion or argument that is used. The prospect looks over the list and sees displayed a galaxy of the prominent men in the city, and he buys because there is a direct appeal to this instinct of leadership. He likes to be classed with leaders.

The fighting instinct is a very powerful instinct and may be appealed to in selling. By reminding the prospect what some of his competitors are doing, and by showing him the advantages accruing to these competitors by the purchase of business insurance, you stir your prospect up to purchase additional insurance. "Mr. So-and-so has his business protected by insur-

ance. Will you let him be shrewder in his business dealings than you?" Such an approach makes a direct appeal to the fighting instinct.

The appeal to the sex instinct is extremely important in the life-insurance sale. Most men wish to make sure of adequate protection for their wives and are extremely sensitive to the suggestion that their wives may be unprovided for or lack those things which they wish them to have.

The parental instinct offers a wide scope for direct appeals to buy. Appeals to this instinct and the sex instinct probably cause the sale of most of our life insurance. If you make a direct appeal to the husband or father to provide adequate protection for his wife and children, you will usually get a uniform response. Men put the interests of their wives and children above their own personal interests. A well-planned appeal to the parental instinct is sure to yield results.

Of course, there are other instincts which operate in the sale, and even from these which we have listed we cannot predict a uniform response. We are safe in saying, however, that appeals to the instinctive interests which we have mentioned are the principal action-producing appeals in the process of life-insurance selling.

These appeals are at the base of most of the opening suggestions which are used in the approach and should also be used as the "motif" of the sales talk which is designed to lead the prospect from curiosity and interest, through desire and conviction, to action. Moreover, if you do not use in your interview such expressions as "guaranteeing the family income," "giving

your child an equal chance," "protecting your business," "life's objectives," and such words as home, mother, son, daughter, you will not get irrigated into your interview the real action-producing ideas.

THE APPEAL TO THE IMAGINATION

If the prospect's interest is aroused, he begins to consider not insurance in the abstract, but to consider himself buying and possessing insurance. He doesn't like the picture of himself parting with money which his imagination paints, but he does like the picture of his wife and children living in comfort in case of his death. Consequently, a successful sale will probably depend on your being able to paint word pictures of his family enjoying the protection of the home which he has made possible through buying income insurance rather than your ability to show him the advantage of the policy from a financial standpoint. The more vividly you make the prospect see the situation, the better your chance of a sale. W. M. Wickes, in writing of the "Sales Education Methods of the American Radiator Company,"¹ tells of the methods by which this company made the personal appeal:

"The company doesn't shove naked boilers and heaters under the public's nose, as old manufacturers used to do, nor does it try to cram the idea down your throat that you need them. It gets the idea over to you by employing color, rhythm, harmony, wax figures, interesting situations, and stories from life. . . .

"One picture showed a country Romeo and Juliet on a sofa. At one end sat Romeo, shivering, still wear-

¹ *Printers' Ink*, July 21, 1911.

ing his overcoat, earmuffs, and gloves. Juliet was holding down the other end of the sofa, a cape around her shoulders and a rug over her feet. . . .

"Below, to the right of Romeo and his sweetie, sat another pair of lovers. They had discarded street clothing and appeared to be mighty comfortable. Both were gazing at an Arcola—a heater made by the American Radiator Company—in an adjoining room.

Underneath the picture was the following dialogue:

"Johnny quit coming to see our Ann when the cold weather settled in."

"'Maybe he's got a girl he likes better,' said little brother, meanlike.

"'Or a parlor where he doesn't have to keep his overcoat and earmuffs on,' Ann shot back. 'What do I care about Johnny, anyhow?'

"We used stoves, not knowing we could save half the coal. But one day I said to Pop: 'I reckon many a good match is spoilt by chilly rooms. You know your own feet got cold when you was getting up your nerve.'

"'Sure, Ma,' said Pop, 'you came near losing me.'

"Next day he ran down to see McGuinness, the heating-plant contractor, and saw an Arcola. So we bought one for our cottage, and in a few days, when the radiators were hitched up like July, I asked Johnny out to supper. They got married in the spring."

You can quite readily feel the difference in the appeal which this human-interest story would make and the appeal which would be made by a statement of the needs which the Arcola would fill. In the same way, your most carefully planned talk on the value of in-

insurance to cover a mortgage won't have nearly the effect of a suggestion which will present a picture of the prospect's family losing their home or living there in comfort.

Before the prospect is convinced, he is likely to consider just how he can carry out the proposition. You will greatly increase your chances, then, of convincing him if, instead of confining yourself to why he should take insurance, you devote part of the presentation to describing just what he will have to do to follow the plan proposed. If by your words he is led to imagine himself in the process of establishing an insurance estate, the mental image thus formed will help to shove his mind toward the action point.

In presenting any proposal, too, you must conform to the prospect's habits of thought. We all respond in a more or less stereotyped way to whole classes of things, some of which we reject without much consideration, some of which we accept almost automatically.

We all reject unprofitable investments, for example. Consequently, if the prospect has money invested in stocks which pay high dividends and insurance is presented purely in the form of an investment, he will probably see it merely as something which will decrease the present interest he is receiving, and will probably react negatively to the proposal. On the other hand, if he sees it as a safeguard for his family in case of financial disaster or as a means of underwriting his earning ability for his family, his reaction will probably be favorable.

It is because of these thought habits that it is much better to speak of "so much income for the family"

rather than of "so many thousand dollars of life insurance"; of a "savings deposit" rather than of "premiums"; of "saving" rather than of "paying"; and of "how much the prospect must save" rather than of "how much the insurance will cost."

ARGUMENT VS. SUGGESTION

Theoretically, of course, man is a reasonable being who seeks more or less intelligently his own self-interest. But we come much nearer the truth if we regard him in the light of a much-quoted statement from McDougall's "Social Psychology" as "only a little bit reasonable and to a great extent very unintelligently moved in quite unreasonable ways."

You may present a pure syllogism to yourself like:

"Smoking is an expensive habit.

"I should avoid expensive habits.

"Therefore, I should avoid smoking."

But if you like to smoke, this argument will not make you stop. The reasoning might appeal to a man who had never smoked or to one who objected to smoking, but it would force no action from a man who did smoke.

Of course, we do not mean for a moment that the salesman should eliminate reasoning from the insurance interview. Because of the relatively large amounts involved, the prospect wants plain facts, and, unless his mind is convinced, no suggestive appeal will have the least effect.

The whole insurance interview is based on a line of reasoning similar to the following:

"A man ought to make sure that his family will be provided for in any emergency.

"By taking out this policy you can make sure that your family will be provided for in any emergency.

"Therefore, you ought to take out this policy."

The prospect probably realizes that this line of reasoning is correct, but this realization does not force him to action. More than reason, perhaps in most instances, is required to get people to do what they already know they ought to do, and it is here that suggestion will come to the aid of the salesman.

A "suggestion" has been defined as "an idea which has a power in our mind to suppress the opposite idea." In itself it is not different from other ideas, but the way in which it takes possession of the mind reduces the chances of any opposite ideas; it inhibits them.

On the first warm spring days you may remember having the idea firmly impressed on your mind by the powers that were that you must not go swimming or you would "catch your death of cold." You may have had every intention of carrying out this advice, but if you went along with the boys who were held back by no parental admonitions, you probably did not remain long on the bank. The splash of the cool water was a suggestion which drove out all opposing ideas and consequently forced you to action.

Advertisers make use of this power of suggestion by presenting statements which tend to focus the attention sharply on one idea and consequently to drive out other ideas. There is no particular reason why we should accept the statement that White Rock is the "world's best table water." But if you were asked to name the world's best table water, you would probably say, "White Rock." When you state that the ordinary

life policy provides the maximum protection at the minimum cost, the statement is usually accepted at its face value and constitutes a selling point, although no proof is advanced to back up your statement.

There are numerous ways in which suggestion may be used in the sale. When the life-insurance salesman paints vivid word pictures of how an endowment policy will make it possible for the prospect to travel and to see those things which he has always wanted to see, he is presenting no argument for insurance. Questions like, "Wouldn't you like to make sure that when your business doesn't hold you down so closely you can travel around a little?" give no reason for buying insurance, but they fix the attention of the prospect on something in which he is interested and often decide the question of the sale.

If we can get Mr. Brown to discuss the distressing situation in which Mr. Smith left his family when he died of the "flu," the handicap Smith's sons will have in not being able to finish school, the laws of instinct will make him want to protect his family from a similar situation, and the suggestive picture which the salesman paints will probably force Mr. Brown to action.

Prestige transforms all acts and words into suggestion; that is, the words or acts of a prominent person are usually accepted without criticism or question, often in cases when there is no reason why his words or acts should be considered as authoritative. The words of a well-known actor concerning a certain brand of cigarettes often make a splendid selling suggestion, although there is no reason why that particular actor should be considered an authority on tobacco. In the same way,

the words of President Harding or Secretary Hughes might have a powerful influence in the life-insurance sale, although the prospect would not reason at all why he accepted their remarks as authoritative on that particular question.

In trying to influence the sale by suggestion you must eliminate so far as possible anything which would be likely to switch the prospect's mind from the track on which you want it to go. A statement like, "Now that you are convinced of the value of this insurance, let me show you how much better my company's life-income policy is than that of our competitor's," would be likely to start the prospect's mind on the track of reasoning about the competitor's policy and the force of the suggestive appeal would be broken. But a question like, "Now that you are convinced of the value of this insurance, what proportion of your present income would you like to lay aside as a salary-continuance fund for your wife," would probably bring the sale one step nearer the application.

ASSOCIATED INTERESTS

The strong power of association of ideas has been strikingly demonstrated in experiments which have been made to determine the guilt of criminals merely through their response to a list of words. The lists contain, of course, so-called "critical" words which are closely related to the experience through which the supposed criminal must have passed if he is guilty of the crime. So closely are ideas associated that, for instance, the thief who is guilty of taking jewels from a bureau drawer responds to a series of words con-

nected with the incident which by association convict him of the crime, or his desire to avoid stating the association makes such an appreciable difference in the time which it takes him to respond to the situation to which he was intentionally restricting his associated response, that his wish to avoid the telltale words practically establishes his guilt.

This strong power of associated ideas and interests must not be neglected by the life-insurance salesman. If you can tap the prospect's associated interests you are, of course, making his mind travel along a beaten path. It is easy for him to follow this habit-worn path, and your chances are so much to the good if you can find out his interests beforehand and definitely plan your sales appeal.

One of the writer's very intimate journalistic friends related one of his personal experiences in interviewing which illustrates this point. A certain manufacturer of a patent medicine was receiving a great deal of publicity because of the high percentage of alcohol in the tonic. Every newspaper wanted his story. He would see no reporter. The writer's friend learned that the manufacturer had a real hobby—bees. He approached him with this remark: "Mr. — I have been told that no man in this country knows more about bees than you. I want a feature story on bees for our Sunday edition. Immediately they became fast friends. The journalist was invited many times to his home and he did get the big story he was after.

The story is told of a man who was trying to sell insurance to a German farmer, but who wasn't very successful. Finally he gave up in desperation and

decided he would talk a few minutes to the farmer on general topics. As he was talking, a fine brood of chickens appeared.

The salesman said, "That is a fine brood of chickens there; I guess you must get a lot of eggs."

"Oh, about a hundred and fifty a day."

"What price do you get for the eggs?"

"I sell 'em for t'irty cents a dozen."

"For about four eggs a day I will give you a thousand-dollar policy; for eighteen eggs a day I will give you a five-thousand-dollar policy; for thirty-six eggs a day I will give you a ten-thousand-dollar policy."

The German, without further hesitation, said, "I t'ink I take a five-t'ousand policy."

When the salesman came to deliver the policy, the old farmer said, "Me and mine vife have been t'inking over t'is matter, and I t'ink dat I will take one of t'em t'irty-six egg policies."

Do you see the connection?¹

Another salesman was trying to sell a long-term endowment policy and was not having very much success. He had often been to see this prospect, but the man was not especially interested in insurance. The salesman observing a golf bag in the office made some comment about golf. Immediately the prospect began to talk about golf, telling him, among other things, of his success at the game. The prospect for a time dominated the interview, but the salesman finally brought him up by saying, "I came to talk to you

¹ This story was told to the writer as an actual experience. It can be purchased in pamphlet form from the Spectator Company.

about a special golf policy.” *A special golf policy!* Could you imagine any human being interested in golf not having his curiosity piqued by such an opening? Of course he was interested. The salesman described his golf policy, which was a long-term endowment. He said, “How would you like to make absolutely certain that when you reach the age of sixty-five you can go out to your country club and play golf? Our special golf policy will make this absolutely certain. He then followed up the opening with this statement: “Just imagine yourself sitting on the veranda a few years hence, just ready to tee off, and note what some of the younger people are saying about you: ‘Mr. Jones is a very remarkable man. He was not only successful as a business man, but he made provision for his future. He made it possible to have the opportunity of playing golf when he grew old. Now look at him.’” The salesman didn’t have a special golf policy so named, but he told the story of insurance in a human-interest way, connecting it up with the prospect’s interest. Some company with a keen sense of humor might develop a “special golf policy.” Do you suppose you could interest some men in this particular policy?

This salesman appealed to the prospect’s associated interests and planned the appeal in such a manner that the prospect’s mind followed an accustomed path. Almost always the experienced salesman can plan to lead the talk in such a way that the prospect’s interests are tied up with what he came to discuss, so that he cannot switch from the insurance track.

APPEALS THROUGH THE SENSES

The Carnegie Institute of Technology is responsible for the statement that the average man remembers one-tenth of what he hears, three-tenths of what he sees, five-tenths of what he sees and hears. Consequently, if you find it necessary to use figures during the sale, write them on a memorandum pad so that the prospect can see them as you give them to him. Better still, make the prospect do his own sums, for he is more likely to be convinced by his own figures than by yours and you are sure of getting his attention. Get him to calculate the monthly income that his family will receive or the loss that his family will suffer at his death.

Especially, in using suggestion, when you aim to give the idea and trust that it alone will accomplish results, pictures often create the strongest sort of an appeal. It is for this reason that some insurance companies issue specimen monthly income checks, for the impression made on the prospect's mind by seeing the check is much more powerful than the impression made by merely hearing arguments in favor of monthly incomes.

Actual replies to advertisements like the following, which appeared in a Pittsburgh paper, often constitute strong selling suggestions:

"Widow with \$10,000 wishes to invest to obtain highest possible returns. Investment must be absolutely sure, giving regularity to income." Here are some of the answers: "In a sawmill—in securities that would net her 37 per cent annually;" "in an honorable

business, entirely safe, details not given"; "in a 26-per-cent investment;" "oil stock, practically guaranteeing a 24-per-cent return;" "in a restaurant company with a 30-per-cent return;" "in a proposition not disclosed, but guaranteeing a 12-per-cent return;" "in a banking proposition giving a 35-per-cent return;" "in an Arizona copper company that would bring quick and large returns;" "in a general contract and hauling business."

A set of similar answers which you will probably receive if you insert a similar advertisement in your local paper may be used as a selling suggestion for income insurance. You could put these letters in a book and call them "your widow's investments."

You will often find it worth while to illustrate your remarks by drawing rough diagrams on a sheet of paper while you are talking. Draw an uphill line, for example, to illustrate the period when the prospect is paying for his insurance and a downhill line to show how life insurance will make things easy for him in later years. The prospect's eye follows your pencil, and not only does he tend to pay attention, but the illustration adds force to your remarks.

SIMPLICITY AND CLEARNESS

When you hit on an idea which interests your prospect, dwell on it as long as he is interested. There may be other good reasons for his purchasing the policy, but if too many ideas are presented to the human mind at one time, it tends to pay attention to none of them.

The story is told of two Eskimos who were brought to London by a gentleman who wished to amuse them

and at the same time astonish them with the magnificence of the metropolis. He dressed them like British gentlemen and took them to walk through the streets. They wandered along for several hours in silence, expressing neither pleasure nor admiration at anything they saw. On the contrary, toward the end of the walk they appeared melancholy and stupefied. When they reached home they sat down with their elbows on their knees and hid their faces in their hands.

"Too much smoke, too much noise, too much houses, too much men, too much everything," was their only explanation.

Avoid especially quoting a lot of complicated figures and statistics to the prospect. As we have said, he does not see insurance in the abstract, but sees himself buying and possessing insurance. But if he becomes lost in a maze of figures as he sees himself "buying" insurance, he won't make the effort necessary to find the way to "possessing" insurance.

Advertisers are very careful to explain just where a product may be obtained because even if the copy makes us consider purchasing the article, if we do not know where to get it, we are usually too mentally lazy to get over the obstacle of finding out where it can be purchased.

The wise salesman will remove as many obstacles as possible from the path over which he wants his prospect's mind to travel. The prospect ordinarily isn't fond of hurdling, and if he finds many obstacles in his path he will turn back.

Too many life-insurance salesmen have acquired the habit of talking their own language during the inter-

view rather than the prospect's language. The prospect may or may not understand the technical expressions which are part of the vocabulary of every life-insurance salesman. But he won't buy until he does understand and he won't hunt up Noah Webster every time you put an obstacle of this sort in his path. Use simple, nontechnical language. You aren't impressing a professor with your knowledge; you are persuading a prospect to buy an insurance policy.

In selling a farmer, for example, one agent cites this plan of talking the prospect's language: "Usually a farmer will say he cannot afford life insurance. But you can always start him talking about hogs, corn, prices, or his orchard. Ask him what profit there is in raising whatever he is particularly interested in. He may say his dairy cow yields him a profit of \$250 a year. Then say, "If the cow should die, would you be seriously handicapped? You would still go on, wouldn't you? Well then, let me show you how to take the profit and make it an estate of \$10,000."

You can tell a prospect all that is necessary for him to know and all that he wants to know without telling him all you know about a particular policy. If, in answer to your request for pure soap, the druggist should suggest "Castile," you would be interested merely in the price and would be rather bored to have him tell you that the chemical formula was $2C_{17}H_{35}COONa_{11}$. You would be bored because the chemical formula did not affect you directly, and the prospect is equally bored when you launch into a mathematical dissertation with which he is not directly concerned, particularly if it isn't perfectly clear to him.

CONFLICTING IDEAS

Don't bring in conflicting ideas at any point in the sale if you can avoid it. Every time you bring in a conflicting idea you create a condition of indecision and inaction. You have heard of the old story of the donkey that was placed exactly midway between two bales of hay. Each bale was equally accessible and attractive. The result was that the donkey starved to death because he could not make a decision to take one bale. Don't get your prospect where he wants to buy insurance and then introduce conflicting ideas by bringing in a variety of policies. Select the policy which you consider best for his individual needs and talk of nothing else.

You introduce a conflicting idea when you make a remark like, "You couldn't get this policy from any other company for this premium," for he begins to think of that other company. And every time you name or suggest another company you introduce a conflicting idea that later you will have to drive out in some way. If the prospect himself introduces the idea about the other company, don't knock or don't misrepresent the other company. If he says your policy costs more than So-and-so's and if it does, say, "Yes, I know it does, but have you considered such-and-such advantages which my policy offers?"

KEEPING ATTENTION

No matter how interested a prospect seems to be, insert a question now and then during the interview to be sure that he is paying attention. Otherwise, his,

"No, I guess I don't care to take any insurance to-day," when you ask him a question concerning a particularly good selling point, will tell you that his interest was mere camouflage and that he has scarcely heard what you said. No matter how interested he seems to be, inject a question now and then which will show you whether he has been following you or not.

If you have told him of the prominent men in his community, for example, who have adopted the life-income system of providing for their families, stop and say, "You know Mr. X personally, don't you?" If he starts and answers hastily, his mind has probably been wandering and you must restate your argument as forcibly as possible in order to focus his attention on your proposal again.

SELLING SUGGESTIONS

The most forceful selling suggestions, of course, are occurrences in your own community, for the prospect doesn't have to stretch his imagination very far to see himself in the same situation. If a man has died and left his family inadequately provided for, your prospect knows what has been said about this man's lack of foresight and he can readily imagine what will be said about him if he leaves his family in the same plight. The desire for the approval rather than the disapproval of the members of the group in which he moves will usually balance the scales in your favor. An incident which happens to a friend will emphasize the advisability of taking no chances better than any carefully developed argument. We might point out, however, a

few general suggestions which have been used successfully:

“Commander Reed of the United States navy, our first man to make a transatlantic flight, said: ‘Making provision for the future is at least as important as providing three square meals a day for the present. The only difference is in the degree of selfishness involved.’”

“Wouldn’t you be sensitive about accepting financial aid from your friends and relatives? But isn’t this what your family will have to do if you provide only \$1,000 of insurance. That would give them only about sixteen cents a day to live on unless they used the principal; and if they did they would soon have nothing.”

“Mr. Williams, there is going to be an old man dependent on you some day. The figures of the American Bankers’ Association show that at sixty-five only ten men are self-supporting out of one hundred who were healthy and vigorous at twenty-five. Your company may not be able to continue your salary, but our company can.”

“Mr. Carson, if your banker should say to you, ‘I have a block of stock that I should like to sell you on easy payments and I can guarantee you the par value when you have completed your payments,’ wouldn’t you be interested? If, in addition to guaranteeing the par value when paid for, he would also make provision for the cancellation of future payments in case of your

death and would pay the par value to your family, wouldn't you be inclined to think it was a pretty good proposition?"

"Mr. Stone, you must have made some plans for the protection of your wife and children in case of your death, I know, for no man with your foresight would leave them unprovided for. But are you entirely sure that your plans will work out? Insurance is about the best way to make sure that nothing can happen to them. The report of a Philadelphia almshouse which was published not long ago stated that among eleven hundred inmates, only three had been life-insurance beneficiaries. And in an orphan asylum with six thousand children, life-insurance had been left by the parents of only three. Even these few wouldn't have been there, probably, if the insurance had been settled on the income plan."

"Have you ever imagined your wife as your widow? It takes most of her time now, when she has you to help her, to take care of the children. How could she manage to support them as well as take care of them?"

"You say you have enough insurance. That's fine! I guess it makes you feel very comfortable, doesn't it? May I ask how much you carry? Five thousand? Yes, let's see."

Place these figures copied in your notebook where the prospect can see them:

\$ 1,000.....	daily income	\$.16
2,000.....	"	.32
2,500.....	"	.41
3,000.....	"	.49
4,000.....	"	.65
5,000.....	"	.82
7,000.....	"	1.15
7,500.....	"	1.23
10,000.....	"	1.64

"Mr. Brown, your wife would have to manage pretty carefully to support your family on eighty-two cents a day, wouldn't she? Could your family live on that now? If not, do you think they could if anything happened to you?"

"Mr. Smith, you know the financial world so well that I can't tell you anything about insurance as an investment, but I wonder whether you have considered that the amount you would have to pay for a fair-sized endowment policy would be of no consequence to you as long as you are as successful as you now are; and yet if you should meet with financial reverses the money you have invested in this way would give you enough to live on in later years."

"Ninety-two out of every one hundred widows in the United States are compelled to earn their own living."

"A few cents a day will secure a twenty-dollar-a-month income for life for your widow. Weigh these few cents in one hand and her future in your other hand."

The Bureau of Education of the Department of the Interior has issued a booklet *The Money Value of an Education*.¹ In it is included a table showing what four years in school paid in wages to two groups of Brooklyn citizens:

	Those who left school at 14 (yearly salary)	Those who left school at 18 (yearly salary)
When 14 years of age.....	\$200	\$ 000
“ 16 “ “ “	250	000
“ 18 “ “ “	350	500
“ 20 “ “ “	475	750
“ 22 “ “ “	575	1,000
“ 24 “ “ “	600	1,150
“ 25 “ “ “	688	1,550
Total salary 11 years.....		\$5,112.50
“ “ 7 “		7,337.50

“Mr. Ritter, you don’t usually leave bills for your family to pay, do you? You are doing just this, though, aren’t you, when you leave your inheritance taxes for them to pay? Why not take insurance to cover this indebtedness? The deposit is very small, but it may mean a great deal to your family.”

The United States government is responsible for the following statements: Nineteen out of every twenty fail to provide either for old age or for their families at death.

¹ This booklet, *The Money Value of an Education*, is Bulletin 1917, No. 22. You can obtain it by sending a fifteen-cent Post-office money order to the Government Printing Office, Washington, D. C. It contains tables giving the money value of a college education compared with high school, and the greater earning power of technical-school graduates as compared with trade-school graduates and those with shop training only. Obviously, these are good selling points for the educational policy.

Ninety per cent of the children who enter school at age six must stop before completing the eighth grade to go to work.

Thirty-five per cent of the widows of the country are in want.

HIGH POINTS TO REMEMBER IN CONDUCTING THE INTERVIEW

The salesman must get the prospect's attention and interest. This can usually be done if you allow the prospect to tell about himself or if you talk to him about his hobby or the things he most loves. Then bring in your insurance proposition, not insurance as such, but tell in simple language what insurance will do for him. Show him it will assist him to realize his objective in life; how insurance can be made an extension of almost any interest he has. Use pictures, illustrations, and diagrams which you make with your own pencil. Human-interest stories must be used. The heart, not the mind, usually buys insurance. Use simple, concrete words. Be very sure that you make use of appeals to his instincts. Don't argue—suggest. Check up your prospect from time to time to see if he is listening.

ATTITUDE OF THE SALESMAN

A knowledge of all psychological principles and a study of the methods of every successful salesman will give you very little aid in managing the interview if you cannot get the feeling over to the prospect that you are interested in him and in serving his interests. And you can't get that feeling over if you don't feel it.

The sympathetic foreman or office manager can accomplish results with his men which the possibly better informed but less sympathetic foreman or manager could not dream of accomplishing; and the sympathetic salesman can accomplish results that could not be dreamed of by the unsympathetic salesman.

Abraham Lincoln, who perhaps furnishes better than anyone else an example of a man who influenced others through sympathetic interest, has summed up the important principles involved in the art of influencing men, which is, in reality, the art of managing the interview:

“When the conduct of men is designed to be influenced, persuasion, kind, unassuming persuasion, should be adopted. It is an old and true maxim that ‘a drop of honey catches more flies than a gallon of gall.’ So with men. If you would win a man to your cause, first convince him that you are his sincere friend. Therein is a drop of honey that catches his heart, which, say what he will, when once gained you will find but little trouble in convincing his judgment of the justice of your cause, if indeed that cause really be a just one. On the contrary, assume to dictate to his judgment or command his action, or to mark him as one to be shunned or despised, and he will retreat within himself, close all the avenues of his head and heart; and though your cause be naked truth itself and though you throw it with more than Herculean force and precision, you will be no more able to pierce him than to penetrate the hard shell of a tortoise with a rye straw. Such is man and so must he be understood by those who would lead him, even to his own best interests.”

VII

THE SALES TALK AND SELLING PLANS

MANY salesmen are able to draw the interest of the prospect to their proposal by a clever approach, but fail to hold that interest through the course of the interview. In fact, the experience of one prospect who was interviewed by a life-insurance salesman is not unusual. During the first ten minutes of the interview he was worrying whether his income would permit him to take out as big a policy as he needed. The agent talked on and on, however, and before the interview was over he had figured out several good reasons why he did not need a policy at all.

We are amused at the tactics of this life-insurance salesman, but the preparation of the selling talk is no easy problem. It is fatal to "run out of talk" during an interview, but it is quite as fatal to run over the limit. Of course, the sales talk for the interview for which the salesman has obtained definite information beforehand is easier for the same reasons that the approach is easier. You can plan definitely to talk the specific things in which he is interested in much the same way as you plan your arguments in a debate. Certainly, we do not mean that you should plan to outargue him, for even if he is convinced, under these circumstances, he will not be much more likely to buy

than if he were not convinced. "A man convinced against his will" ("or woman against her" we find scratched on the notes of the manuscript) "is of the same opinion still," and won't make any changes in his plans to indicate this conviction. But you can plan groups of selling points which will appeal to a man with a particular need or want.

If your interviews are attempted with no definite information, and if you find that selling arguments do not slip off the tongue very easily, you will probably find it worth while to make a list of needs similar to the list suggested in the chapter on the "Pre-approach," then, under the needs, to group several arguments for each need. Your mind will travel back to your list of needs and arguments as in a mathematics examination it travels back to your textbook. You classify the situation in a certain group as you classify the examination question under a certain group of problems. If you can remember the rule which accompanied these problems you can solve the particular question much more quickly than if you have to stop and ponder over the way to work it out, and you can meet the situation much more promptly if your mind can travel back to a sound selling argument.

It is very unwise to approach any interview, no matter how indefinite your information, without a definitely prepared sales talk, which means that you must go with several definitely prepared sales talks in the back of your head. If you have planned a line of argument on family protection and find that your prospect is divorced, with no children, you probably, at the start at least, can't swing into convincing arguments

about "giving himself a pension" unless you have planned these talks or outlined the line of reasoning beforehand.

You will soon come to the point where the stock arguments slip off your tongue very easily. But when you reach the point, don't utter them like a parrot. They aren't as old to the prospect as they are to you, and they have become stock arguments because they apply in so many cases.

You will never reach the point, however, when you will not be able to find new arguments, and it is up to you to be on the lookout for new points or new ideas which will help the sale along.

Reading of any sort will give you ideas. Most certainly you won't find a selling point in everything you read, but if you do any reading at all you can't fail to find something, no matter what your literary tastes are. You would scarcely read Browning's poems with the idea of collecting selling points, but the salesman who could reply to the college English professor's, "I'm not married, so I don't need insurance," with, "It's not insurance; it's what I guess old Rabbi Ben Ezra must have meant when he said, 'Grow old along with me; the best is yet to be,'" would have a good chance of bringing up the subject of a salary-continuance plan. On the other hand, a cartoon like that by Briggs, "Why Jones Bought Life Insurance," would prove equally effective, with possibly a different type of prospect. The first picture shows Jones saying to the insurance man: "Life insurance? Ha-ha! I should say not. I will live fifty years." The next shows Jones at home saying to his wife, "And he wanted me to take out a

five-thousand-dollar policy." The scene shifts and we see the doctor looking at Jones, saying, "The end is near." Pictures four, five, and six show the furniture being sold, Mrs. Jones working, and the neighbors talking about his \$1,000 policy. One person suggested that he thought Jones too keen not to carry a sufficient amount of insurance. The scenes are heartrending. Scene seven shows Jones waking up hurriedly, finding that it was only a dream. The last and quite appropriate picture shows Jones with the insurance agent. Jones says, "Make it twenty thousand dollars."

It would take far too much time, of course, to hunt deliberately for selling ideas, for they are too few and far between. But you will find points of contact with prospects if you read a certain amount every day on any subject in which you are interested; and when you do read, read with a life-insurance eye.

PREPARATION

For any successful selling talk we need a knowledge of two things—how life insurance fills human needs and how the human organism usually reacts. When we are actually face to face with the prospect, his needs may not be what we thought they were or his mind may react in a way different from the way we had planned, but if we know how life insurance fills needs and how the mind ordinarily reacts, we can shift our line of attack without much fear of being drawn into unknown country.

If, as we will take for granted, you are thoroughly familiar with the policies of your company, it may be necessary for you merely to outline selling plans before

you attempt the interview. But particularly if you are inexperienced you will probably find it advisable to write out complete selling talks similar to those suggested in this chapter. Your own imagination will often tell you what obstacles the particular prospect will raise in the sale and you can prepare your selling talk so that it answers his objections before he raises them. (See Chapter VIII.)

So little chance is there of your being able to deliver a selling talk in the presence of the prospect as you write it at your desk that it may seem scarcely worth while to write out complete selling talks. These talks are not "pieces" to be memorized word for word, however; they merely group the selling points as they may be used in the interview, and when one knows what he wishes to do and has at least fundamental plans as to how to do it, he has a far better chance for success than if he relies on his ingenuity to suggest plans on the spur of the moment.

THE EDUCATIONAL POLICY

Selling Plan.

I. What Service Am I Selling?

A policy to provide for the education of a son (or daughter) in case of the parents' death, thus making sure (1) that he will not have to do outside work in order to defray the expense of his education and (2) that he will be able to obtain college training without the expense being a drain on the family resources.

II. To Whom Am I Selling?

Any person who has the responsibility of providing for the education of a son or daughter and who is

financially able to lay aside a certain amount toward the necessary fund.

In addition to the families which the salesman knows or hears about, he may find prospects' names by watching:

1. Newspaper notices of births.
2. Notices of children's birthday celebrations (in local papers).
3. Kindergarten and school announcements.
4. Lists of members of parent-teachers associations.

Lists which require more or less weeding out are:

1. Birth records—city or county.
2. Public-school records.
3. Catalogues of private schools.¹

III. What Will Make Him Want This Service?

1. Love for his son.

He will wish to do everything he can for him (parental instinct) and will want him to have an equal chance to make good with other men's sons who are equipped with a college education. Also he will not want him to be handicapped by having to spend time earning money in order that he may have a college education.

2. Love for his wife:

He will not want her to sacrifice her resources to provide for the son's education (sex instinct).

¹ These catalogues do not often list pupils, but they give the names and addresses of the parents of pupils under "Patrons," and since you know from the catalogue whether it is a boys' or girls' school, you can usually find out the approximate age of the child through your own ingenuity during the interview.

3. Desire for approval:

His wife and son will be pleased at the arrangement and his friends will think well of him if he makes this provision, as they may not of some one else who has failed to do so.

IV. How Can I Present the Proposal to Get Favorable Action?

1. "Mr. Prospect, how would you like to give your son forty thousand dollars?" This, of course, seems preposterous and the agent must immediately produce the U. S. Bureau of Education's estimate that the man equipped with a college education earns \$40,000 more than the man who has not had this training.
2. "If you live, of course, you expect to give your son or daughter a college education. What would happen if you should die before this was accomplished? What provision have you made for this, whether you live or die? Guarantee the privilege of a college education."
3. Cite a case in which the premature death of a well-to-do man in your community caused his children to be taken out of school.
4. "Do you want your son to keep his nose down to the grindstone all the time he is at college? Don't you want to give him a chance to engage in college activities, such as athletics and literary clubs, which are such an important part of college life?"

5. (To a college man.) "Would you be willing to sell your college education for the price of this insurance policy? Do you want your son to run the risk of having to lose his?"

V. What Information Must I Have Concerning the Policy?

1. Estimated cost of education:

The cost of a college education varies so widely that it is impossible to give a satisfactory estimate. In order to give you a basis on which to make your calculation, however, we submit this estimate of the annual cost of a four-year college course which was issued by a leading university.

Board, 36 weeks at \$7.50.....	\$270.00
Tuition and public room fee.....	300.00
Washing, 36 weeks, 75 cents per week.....	27.00
Library fee.....	5.00
Infirmary fee.....	7.00
Department Physical Education fee.....	10.00
Room rent.....	250.00
Heat (per room).....	28.00
Light (per room).....	28.00
Matriculation fee (entering students).....	5.00
	<hr/>
	\$930.00

(To which must be added the cost of books and other incidentals.)

2. Cost of policy (endowment plan). Compare cost of policy with cost of education and with estimate of U. S. Bureau of Education that college education is worth \$40,000.

3. Settlement:

- (a) In case father dies, annual income for son each year for four years.
- (b) Income to begin when son enters college.
- (c) Amount of yearly settlement to be determined by cost of education. Remaining amount to be given to son after graduation.
- (d) Matures at an age when money will be useful to the prospect if he lives. In case father lives until age —, the policy matures. It can then be paid in a lump sum.

Picture:

Mr. Thomas Gordon, age 30; graduate of Princeton; salesman; income about \$5,000; married; son 3 years old. Has ordinary-life policy of \$10,000.

Plan: Educational policy for son, fifteen-year endowment.

Talk on the Educational Policy.

"Good evening, Mr. Gordon. You probably don't know me. My name is Smith, but I have made the acquaintance of another member of your family—Thomas, junior."

Mr. Gordon: "Oh yes, he makes friends with everybody."

Salesman: "Well, I don't always notice children, but he was such a husky-looking little chap that I inquired who he was."

Mr. Gordon: "Pretty healthy-looking specimen."

Salesman: "You're going to send him to college, aren't you?"

Mr. Gordon: "Oh, sure, to Princeton! But what was it you wished to see me about?"

Salesman: "About sending him to Princeton. You'd be interested in a plan that would make that certain, wouldn't you?"

Mr. Gordon: "Yes—I suppose so, but what's the idea?"

Salesman: "Mr. Gordon, have you ever figured out what would happen if you should die before Thomas was old enough to go to college?"

Mr. Gordon: "Well, no, not exactly. I'm not expecting to die for some years yet."

Salesman: "But it's the unexpected that often happens. And you wouldn't want Thomas to miss the advantages that you have had, would you?"

Mr. Gordon: "No, but I guess he'd have get-up-and-go enough to work his way through college the same as I did."

Salesman: "Yes, from what I've seen of him I'm sure he would. But do you think you got as much out of your college education as you could have gotten if you had not had to work your way through college? Weren't there college activities that you would have liked to go in for that you couldn't because you were too busy making ends meet? Most men seem to feel that way."

Mr. Gordon: "Yes, there were, but I expect to be pretty much alive when Thomas goes to college and I think I will be in a position to spend the money then better than I am now."

Salesman: "But you can't be sure, can you?"

Mr. Gordon: "No, but I'll take a chance."

Salesman: "But it isn't you who takes the chance; it is Thomas or possibly his mother. She'd try to send him to college, I guess, with the money you left her. May I ask if you carry any other insurance?"

Mr. Gordon: "Yes, a ten-thousand-dollar policy. But that's for her. Thomas wouldn't touch it if he were old enough to earn money himself."

Salesman: "But she wouldn't like to see him not having the advantages that his friends have. A college education is an investment, of course. The government Bureau of Education estimates that a man can make forty thousand dollars more if he has college training than if he hasn't."

Mr. Gordon: "Well, I don't want my wife to make that kind of an investment with her capital."

Salesman: "But you said you wanted your son to have a college education, didn't you?"

Mr. Gordon: "Yes, of course, but not if my wife has to invest her capital to give it to him."

Salesman: "But wouldn't it be worth about one hundred dollars a year to you to know that he would have it?"

Mr. Gordon: "What happens if I am alive and kicking when he is ready to go to college?"

Salesman: "The policy matures as an endowment and you can use the money for Thomas's education or for any purpose you want. Figure out the amount that you save for yourself. It's the same as putting the money aside in the bank with interest, only by this plan you can guarantee that the amount will be put

aside, whether you live or die. You create a forty-thousand-dollar estate for your son. Pretty profitable investment, isn't it?"

Mr. Gordon: "Yes."

Salesman (produces application blank and asks usual questions): "Would you mind writing your name here as I have written it above. If you are passed by the doctor, you can be sure that you have made certain Thomas's college education."

SUGGESTED OUTLINE PLAN FOR SELLING THRIFT POLICIES TO YOUNG MEN

(Slightly Modified for Young Women)

Sales Plan.

I. What Service Am I Selling?

A thrift policy:

1. To establish a systematic plan for saving in order to inculcate habits of thrift.
2. To enable a man to take advantage of his early age in starting a life-insurance program in preparation for the time when he will have greater responsibilities, either business or domestic.

II. To Whom Am I Selling?

Young men beginning their insurance careers.

You may find prospects of this class:

1. In any office or industrial plant. Very often if you ask the manager for permission to interview his employees on the subject of

insurance, he will be glad to let you talk with them, and they will be more willing to talk with you if they know that it is with their manager's approval.

2. Lists of college graduates.
3. Membership lists of organizations such as American Legion posts, Y. M. C. A., and church and social clubs.

III. What Will Make Him Want This Policy?

Desire for approval. (Employer will think more of him.)

Ambition. (Will help him succeed.)

"Follow the leader" instinct. (Great financiers consider thrift a necessary qualification for success. Will be acting according to their advice.)

IV. How Shall I Present My Appeal?

"Can you save two dollars a week? Then one dollar a week would be a very easy matter, wouldn't it?"

"J. J. Hill, the great railroad magnate, said, 'If you want to know whether you will be a success or not, ask yourself this question, "Am I able to save money?"' Thrift insurance provides a certain means of saving money."

"If your employer should tell you to-morrow morning that business conditions made it necessary for him to reduce your salary five dollars a month, you could still get along, couldn't you—you would hardly miss it? Then you could invest that amount for your own benefit."

"The president of the Chase National Bank said: 'When a man comes to us to borrow money, we want to

know how much life insurance he carries. This is not so much because of its bearing on his financial power, but as an indication of his type of mind which makes for success in business.’”

“If you should apply for a responsible position, any position of trust, your life insurance would be a good recommendation.”

“If you should apply for a fidelity bond, your life insurance would aid you in securing it.”

“Almost every person can live on nine-tenths of what he or she does live on. If you spend two thousand dollars a year, you can get along on eighteen hundred dollars. Save the two hundred dollars.”

“It is absolutely certain that ——— years from now you will be a dead man or an old man. If you become the dead man first, it is an eighty-per-cent certainty that you will leave dependents behind you, even though you are young and not thinking of marriage yet. If you become the old man first, it is a ninety-five-per-cent certainty that you will be the dependent yourself, for ninety-five per cent of those who are too old to work have not saved enough to live on.”

“Sixty-five per cent of life-insurance deposits are left for fifteen years, while only three per cent of savings-bank deposits remain untouched for ten years.”

Picture.

Prospect: Herbert Winters, age 23; high-school graduate; manager of a basement shoe department in a large department store. Salary \$120 a month. No dependents, since he is not married and his family is fairly well-to-do. He is ambitious and a good worker, but, since he cannot live with his family, as they reside

in a different town, his living expenses are relatively high and he spends nearly all he makes.

Plan: One-thousand-dollar thrift policy, twenty-year endowment plan.

Selling Talk for Thrift Policy.

"Good evening, Mr. Winters. My name is Brown. I telephoned to ask if you could see me this evening because I have a business plan here that I am sure will interest you.

"Yes, I am a life-insurance agent.

"I know you don't need insurance, but what I wanted to talk to you about is thrift insurance.

"Well, let me ask you a question: How much could you save if you wanted to—say, two dollars a week?

"Then one dollar a week would be a cinch, wouldn't it?

"Mr. Winters, you could create a thousand-dollar estate with that extra dollar.

"I know you haven't any dependents, but this is for yourself. Through this plan when you are about fifty-three, if I am guessing your age correctly, you'll see a neat little check for a thousand dollars coming around made out to you.

"Yes, you'll undoubtedly be earning more then than you are now, but one thousand dollars is one thousand dollars any time. If you marry, you'll have greater responsibilities by that time, and if you don't, you may want to invest the money in your business or you may want to do a little globe trotting.

"Oh no, it isn't a big estate, but men like John Wanamaker and Charlie Schwab didn't start with big estates.

"But I'll tell you the big reason why I am urging you to take this insurance now. You are anxious to get ahead in your business as fast as possible, aren't you? And you know that every employer lists thrift among the qualities which he wishes his men to have? Well, doesn't it stand to reason that he will think more of the men who show that they possess this quality of thrift? If he knows you save money for yourself, he thinks you will save money for the business and will be anxious to push you ahead. Isn't that alone worth the amount that you'd have to save?

"Why, the very objection that you make to the plan is its big advantage! You do have to save, whether you want to or not; in other words, when you wouldn't if you didn't have to. To tell you the truth, when any man tells me that he has started a savings account I don't say, 'When,' but, 'How often.' Now if you laid aside one dollar a week as a starter for a life-insurance estate, how would you want to pay the premiums, quarterly, semiannually, or annually? And just a question about the person to whom this money is to go if you should shuffle off. Of course, you know that the doctor will have to look you over, but if you just step around to his office I think we can see him right away."

"BUYING AN OPTION ON YOUR INSURANCE"

Sales Plan for Insurance to Meet Temporary Obligations.

I. What Service Am I Selling?

Term insurance:

- (a) To bridge over a period of special risk after which the insurance will be no longer necessary.

- (b) To provide individual protection for a man who wishes permanent insurance but at the time is unable to pay the necessary premium.
- (c) To provide immediate protection for a man who is unable to decide what form of permanent protection he wishes.

II. To Whom Am I Selling?

- 1. Persons engaged in speculative ventures.
- 2. Persons with mortgages.
- 3. Persons starting in business ventures.

Your prospects can be gathered from a wide number of sources, but you should watch especially:

- 1. Records of mortgages.
- 2. Newspaper announcements of new incorporations or new partnerships.
- 3. Notices of building or remodeling operations.

III. What Appeals Will Make Him Want Term Insurance?

Appeal to parental and sex instincts:

Wife and family can be protected in no other way during the period when the business venture is doubtful or if he should die before a mortgage was lifted.

Appeal to leadership:

The success of his business venture which is made sure through insurance will make him the benefactor of a large number of people.

Appeal to desire for approval:

Others will approve of him for taking out insurance in order to fulfill his obligations.

How shall I present the appeal?

1. "How would you like to take an option on insurance? That is just what this form of policy amounts to."
2. "Temporary obligations must be met in case of death. Insurance is the only way of making sure that the paying off of these obligations will not be a drain on the resources of your widow or your business associates. Term insurance will do it at very small cost."
3. (In case of mortgage or a loan.) "By adding about two per cent of the amount you now pay as interest you could have the whole obligation satisfied in full in case you should be taken away. If the bank made this offer, you would accept it immediately."
4. "Freedom from worry during the period of risk will increase the possibility of your carrying out your plans."
5. If financial risk is eliminated, the bank will increase your credit.

What must I explain about the policy?

1. Policy may be converted into any of the regular forms of ordinary life, limited-payment life, or endowment insurance according to the regulations of the individual company.
2. Cheapness of rate as compared with other forms of insurance.
3. Make clear the regulations concerning cash and loan values, paid-up insurance, extended insurance, and disability clauses.

Picture.

Prospect: Mr. Edward Harrison, age 35; married; no children. Has been earning a salary of about \$5,000 a year as an electrical engineer, but has given up his position and has bought a small factory for making a certain kind of lens for automobile lights. He was able to start the business by investing \$50,000 which he had inherited from his father's estate and because of the fact that a number of his friends were convinced that the enterprise would be profitable and had been willing to invest another \$25,000. Carries \$10,000 war-risk insurance and wife has independent income of \$800 a year.

Plan: Ten-year term insurance for \$75,000 on convertible plan.

Selling Talk for Insurance to Meet Temporary Obligations.

"Good morning, Mr. Harrison. You certainly have a fine plant here and it will be a great thing for this town if you can carry out all the plans you have made. Well, it takes a lot of money to get a thing like this started. It was really about that that I wanted to see you. You will be interested in a plan I have outlined for you.

"Yes, it does involve life insurance.

"You say you have so many obligations that you can't afford life insurance just now. But what you really mean is that you have so many obligations that you can't afford to be without life insurance just now.

"You will readily admit, I think, that if everything goes all right, in six or seven years you will be out of the tall timber and you will see your way through the

difficulty. Of course, if you are then still going strong, you would be ready to take insurance to just about the limit. But, Mr. Harrison, neither you nor I nor any living man can say just what you have ahead in those few years. So I want you to protect yourself, your family, and your investment by utilizing your chance of taking an option on your insurance.

"Oh yes, you can take an option on insurance in just the same way as you can take an option on real estate or on anything else. About how many thousand dollars of assets would be necessary to clear the way for a complete settlement if anything should happen to you?

"Yes, including the money that you would want to have go to your wife and your indebtedness.

"Well, I'm going to suggest that you take an option to cover seventy-five thousand. Let me explain exactly what I mean. The whole plan hinges on the fact that at the present moment you have heavy obligations, but that in six or seven years you will be clear. We can cover you just for that period at an option figure far and away below the ordinary life-insurance deposit. You are now thirty-five years old, you say? Well, the price for seventy-five thousand dollars would be between — and — hundred dollars, which you can pay quarterly if you wish.

"No, you certainly do not lose all the money you have deposited if nothing happens to you. I'm afraid that I haven't made myself clear. This is only an option on your permanent insurance; it will cover your insurance until you are on your feet again, and then you can decide on the kind of insurance you want to carry.

"You see, with this low rate, the policy has no cash

value worth talking about, but you can renew it at a little heavier cost if you aren't out of the woods financially, or else you can convert it into another form of life insurance quite easily.

"Yes, I know that it is making a call on your resources, but you know that the insurance money invested would pay you big dividends in freedom from worry and, consequently, clearness of thought that you could reinvest in your business. Just think how relieved you would feel to know that not even death could take away what you have put in.

"When you recall cases that you know of when ventures such as yours have become failures because of the unexpected death of the person who started the enterprise, failures which have affected the community as well as the deceased's family, don't you see that anything that materially helps to free your ventures from hazard is of tremendous value? Mr. Harrison, you are not insuring your life. You are insuring the success of a plan that means comfort and happiness to quite a number of families besides your own.

"Of course, there is another aspect, too. Your credit at the local bank will be tremendously increased if they know that your life is insured to cover the biggest risk of failure to carry out your plans.

"Yes, I understand how you feel, but let me ask you a question. If the bank had agreed to loan you the money which your friends have loaned you at the same rate, but had made the proposal that if you paid two per cent more interest they would cancel all claims in case of death, you would accept the latter proposal, wouldn't you?

"I know they couldn't do it, but that is exactly what this kind of insurance amounts to. You pay a little more interest on the money to be sure that all the obligations will be canceled in case of your death.

"Well, even if the greater part of the investment is your own money, it will be your wife who will suffer, won't it? She would pay off your other obligations before taking her own share, wouldn't she?

"Well, then, in settling this amount, if anything happened to you how would you wish the money to be paid?

"Suppose I ask the doctor if he can see you to-day, so that you can get the coverage as soon as possible. All right. Just one or two more questions. Thanks. I will keep in touch with you just to know how things are coming along. Let me know if there is anything about this policy you don't understand or any time I can help you in connection with life-insurance questions. Good morning."

"THE FOUR CONTINGENCIES"

Sales Plan.

I. What Service Am I Selling?

Insurance to provide:

1. Support for the prospect's family after his death.
2. Income for the prospect in case of disability.
3. Income for the prospect during old age.
4. A safeguard in case of financial emergency.

II. To Whom Am I Selling?

Any person, particularly those with dependents.

III. What appeals will make him want the necessary protection?

1. Appeals to parental and sex instincts.
2. Appeals to instincts of rivalry and ambition.
3. Appeal to desire for approval.
4. Appeal to self-interest (the desire for a comfortable old age).

Picture:

Prospect: Randolph Bruce, age 45; married; wife, age 42; one daughter, age 10. Occupation, member of small interior-decorating firm. Income, between \$10,000 and \$12,000. Has saved a considerable portion of his income each year to put into his business, from which he expects to derive an income in his old age. The business is very prosperous and he expects to be able to make ample provision for his wife and child through the income from the business.

Plan: Present insurance, \$5,000, ordinary life; \$30,000 twenty-year endowment with disability and double-indemnity features.

Selling Talk for Insurance to Meet the Four Contingencies.

"Good morning, Mr. Bruce. Busy as usual, I see. Well, possibly you didn't expect to see me here to-day, but I've been thinking about you a lot lately. Insurance, of course, but insurance plus. It's a case of you and insurance together. Yes, I know you're putting a lot of money into your business, but that doesn't alter the fact that you still have these four contingencies to face:

"1. Premature death or loss of business with a dependent family.

"2. Disability with a dependent self and family.

"3. Dependent old age.

"4. An acute financial emergency with a probable loss of business.

"Wouldn't it be worth a great deal to you to know that if any of these dangers should become realities to you, you would be fully protected?

"That's the very reason why I've come to see you. If your business were not prosperous, I'd know that you wouldn't be in a position to afford the sort of protection which I wish to suggest.

"Mr. Bruce, your income would be pretty badly cut if anything happened to you at the present moment, wouldn't it? Your family would have a hard time if they had to depend on the income they would get from your business when you were unable to do any of the work of carrying on the business?

"Isn't your ability the biggest asset you have? Then why not insure that ability? It's really the only way you can be sure of protecting your family.

"You'll probably be making good money during the next twenty years unless something happens which prevents your carrying on your business, won't you? Well then, what you want to do is to make sure that if something does happen to you, neither you nor your family will suffer.

"The chances are against it, I know, or my company wouldn't be able to give you this protection at so small a cost to you. You can have a disability clause in your policy for a very small additional amount—about \$—— on a thirty-thousand-dollar policy.

"The amount of the policy sounds big, but what's the smallest amount your family could live on with the strictest sort of economy?

"And would you consider it a personal question if I should ask you how much absolutely sure income you would have if anything happened to you?

"A big difference, isn't there?

"Pretty hard for your wife to make up?

"Just let me explain my plan to you. If you take, say, a thirty-thousand-dollar policy at your age, I should say about forty—(Forty-five? You don't look it. Well, at forty-five)—you could have a paid-up policy by the time you are sixty-five. You probably won't need the money then and you can leave it on deposit, at interest, with the company to provide an income for your wife as long as she lives. But if you do need it when you're sixty-five, you have thirty thousand dollars, the income from which, with the securities that you have, will be enough to make sure that you will not have to give up the comforts you have been accustomed to if you are unable to take an active part in the business. What's more, this policy might be the means of saving your business so that it will yield the income to you and your family that you expect. Naturally, we never emphasize the cash or loan values of a policy as a feature, since this money is really taken away from your wife and child, but at times it might be to their interest to be able to obtain the necessary cash. And of course you know that any bank will lend you money more readily if the contingency of your death is covered by life insurance.

"These problems that I've been talking about have often worried you, haven't they?"

"And if the cause for worry were removed, so that you had to give the matter no thought, you'd really be more efficient as far as the business is concerned, wouldn't you?"

"Don't you think the plan is worth while, then, purely as a business proposition?"

"Yes, certainly you'll want to think it over. But it's a bad plan to delay. Accidents are just as liable to happen to-day as they are to-morrow. And then there's the question of health. You seem to be in pretty good condition now, aren't you? But some minor ailment might come up and you'd have to wait. Why not have the doctor look you over to-day? You usually leave the office about five, don't you? Well, then, let's make it five-thirty?"

THE LIFE-INCOME POLICY

Sales Plan.

I. What Service Am I Selling?

A life-income policy to make sure that a man's insurance will provide the protection for his family that he desires; that the apparently large amount may not be squandered, poorly invested, or loaned to other people, but rather that the beneficiary may have an assured income for life.

II. To Whom Am I Selling?

Any person who wishes to provide protection for dependents and also those who wish to provide incomes for themselves during old age.

III. What Will Make Him Want This Service?

1. Love for wife and family. (Appeal to sex and parental instincts.)
2. Desire for approval. (He will not want to have others consider him as a man who provided inadequate protection for his family.)
3. Appeal to self-protective instinct (in the case of an income for himself during old age).

IV. What Are the Talking Points?

1. The principal is guaranteed—that is, the entire resources of the life-insurance company are back of the estate.
2. The beneficiary is relieved of the worry of finding a safe investment.
3. A regular minimum income is guaranteed since the principal cannot be (a) drawn upon for general expenses; (b) loaned to friends or relatives; or (c) invested unprofitably.
4. The income begins immediately, making it unnecessary to appeal to the probate court for an allowance while the estate is being settled.
5. Creditors cannot attach the insurance estate nor can the beneficiary successfully attach or assign it.
6. The estate left in this way does away with expenses connected with the administration of the estate, such as attorney's fees.

V. What Must I Know About the Policy?

Policies among various companies differ, but be sure that you are familiar with the options that your company offers in order that you may know what form of settlement will meet the prospect's needs. Will his interests be best served by leaving the money on deposit with the company, the income to go to his wife during her lifetime and the principal to go to the children? If the amount of insurance left to the family is limited, should the income be paid over a limited number of years, probably twenty, in order that the family may be protected while the children are too young to support themselves and their mother? Would it be possible for him to provide a life income for his wife which will be, in reality, a continuance of his salary? Should the contract be written on the endowment form in order to provide an income for him as well as for his dependents after his death?

Picture:

Martin Walters; age 40; wife, 35; one daughter, age 6. Income, about \$10,000 a year. Has \$10,000 ordinary-life policy. Very small amount of money invested in railroad stocks.

Selling Talk for the Income Policy.

"Good morning, Mr. Walters. You probably received my letter yesterday telling you that I should like to explain life insurance as the replacement of your economic value.

"Have you ever thought of using life insurance as a means of extending your economic value?

"Suppose, Mr. Walters, your income is fifteen thousand dollars a year.

"Well, then, suppose it's nearer ten and you are carrying ten thousand dollars insurance; then you've extended your economic value to your family for one year, haven't you?

"If they invest the money, say at six per cent, that will give your wife an income of six hundred dollars a year. Even if nothing happened to the money, could your wife and little girl live on fifty dollars a month?

"And you know, yourself, how easy it is to let money slip away. Somebody in the family is hard up, or somebody comes along with a scheme that sounds like an easy way to make one dollar grow where two were. Mr. Walters, even if you consider that you are providing sufficient protection for your family by extending your economic value for one year, I should certainly make certain that this money couldn't be lost, by having it settled on the income plan, at least most of it, for your wife might need one or two thousand for various sorts of expenses.

"But to come back to what we were talking about, do you think that one year's income is sufficient for your family? Shouldn't your wife be certain of a little more than fifty dollars a month?

"Yes, there are lots of ways of providing an income other than through life insurance, but none of them are as certain. Even if you created a trust fund you couldn't be certain that your principal would always produce the same rate of interest and would never be lost, could you? In a life-insurance company the combined assets of the company are back of your invest-

ment, so even if a few of the investments of the company should not be profitable, the rest would even up the amount, and you are absolutely sure of your principal.

"You said, yourself, that your wife would invest the insurance money she received under your present policy. Are you sure that she will have enough business experience to invest this so that it will yield her an income—fifty dollars a month, we said, didn't we, or were you planning to increase this amount?

"Yes, I realize that it does take a big outlay to produce an income of any size, but if you were planning to provide for the future of your family with income-producing property, stocks or bonds, how would you go about it? You'd buy as much as you could right now on the easiest terms the market affords. Just because you couldn't buy enough to produce a large income, that wouldn't stop you from buying enough for a small income, would it, then increasing the amount as rapidly as possible?

"The kind of contract that I wanted to explain this morning has these advantages: you know exactly the size of the income that your wife will receive from the money that you are investing and you know approximately the time you will be in business.

"You are about forty, aren't you? Well, to be on the safe side, let's say that you will receive at least your present income from your business for twenty years more. You could lay aside certainly a tenth of that income, couldn't you, for your family's protection? Approximately what would that be?

"About a thousand dollars a year. Well, let's see,

that would provide an income of one hundred dollars a month for Mrs. Walters. This, in addition to the income from your present insurance, would provide living expenses at least, and you can add to the amount later on. Of course, your income from your business will probably be greater after you are sixty than before, but we'll write the contract on the twenty-year plan so that you won't feel that you are placing a burden on yourself.

"By this contract your wife will get an income of one hundred dollars a month as long as she lives. In any case, the income will be paid for twenty years, so that if your wife should die before that time your little daughter would have enough of an income to get a good education. But she'd probably be married before the income stops. Pretty soon to think about that, but you have to look ahead.

"Mr. Walters, I am quite sure that this would be the kind of estate Mrs. Walters would like to have, for all she has to do is to indorse a check each month. No appeal to the probate court for an allowance while the estate is being settled—you know how women hate that sort of thing—no administration expenses, and then no worry about finding a safe investment.

(Bring out policy form.) "Mr. Walters, of course you understand that if you should be totally disabled it would not be necessary for you to continue the yearly payments and your wife would receive the income just the same. But would you like to have the special disability clause inserted?

"Will you write your name here as you usually write it?"

SELLING BUSINESS INSURANCE

The conditions under which you would sell business insurance vary so widely that a model selling talk would be of little value. We are including, however, a selling plan for business insurance which will probably be of assistance to you in preparing your selling talk for the particular case with which you are concerned.

*Selling Plan for Business Insurance.***I. What Service Am I Selling?**

Insurance for the following general purposes:

A. To decrease the financial loss to a concern in the case of the death of:

1. A member of a firm or corporation whose business ability, technical knowledge, or financial resources are necessary to the prosperity of the concern.
2. An employee whose position would be unusually difficult to fill.

B. To create a sinking fund for:

1. The retirement of bonds.
2. To meet the expenses due to the depreciation of the plant.
3. To strengthen the company under changed conditions resulting from the termination of patents, leases, and other long-time contracts.
4. To protect the minority stockholders against adverse developments following the death of the man who held the largest interest in the corporation.

5. To provide for the purchase of stocks of a deceased associate in a close corporation, and so prevent its falling into undesirable hands.

II. To Whom Am I Selling?

Members of corporations.

Business partners.

Individuals interested in having their business enterprises continue after death.

Prospects:

Mercantile-agency reports such as Bradstreet's, business announcements and bank statements give officers' and directors' names.

Through your bank you may be able to get names of persons who should take out insurance to cover loans.

III. What Will Make Him Want Business Insurance?

1. Ambition. (Business insurance will make the success of his business sure.)
2. Leadership. (Leaders in the financial and commercial world indorse business insurance. Will wish to be in their class.)
3. Rivalry. (If other business concerns carry business insurance, he should, too.)

IV. How Shall I Present My Proposal?

A. Selling Points:

Your prospect will be more interested in definite information. If you do not have this information before the interview, ask the prospect to let you work out a definite proposal.

1. Go to the interview equipped with:
 - a. Lists of prominent concerns that carry business insurance.
 - b. Concrete illustrations of its efficacy such as will be furnished by your company or such as you may find in your reading or experience.
 - c. Opinions of bankers and business men. These can be found by reading through the files of any good insurance magazine.
2. If your proposal is to be decided at a conference at which you are not present, be sure to leave word where you can be reached by telephone in case information is wanted.

B. Selling Suggestions:

“Mr. Hill, if you could take into your business an associate who would not ask for a voice in the management, who would help fill the position of any member of the firm who died, who would stand ready to lend you money in case of need, and who would hold a constantly increasing fund to your credit as a reserve, would you do it? Business insurance is a silent partner that will do this and more.”

During the financial panic of 1907, business houses borrowed \$75,000,000 on the collateral security of their policies without publicity and at a low rate of interest.

Place Bradstreet's list of failures before the prospect and say: "Mr. Prospect, you see that Bradstreet estimates eighty per cent of business failures to be due to mismanagement. You have proved that you know how to manage, but you might be taken away overnight and your business exposed to the eighty per cent of the causes through which business houses have failed. Wouldn't the business be better able to procure a high-grade manager like you if it had this asset?"

Money might be tight and hard to get at a bank, but the life-insurance company always has ready money. The cash and loan value of a life-insurance policy represents the most convenient form in which to have emergency cash. Who would dream of lending money based upon the possession of a stock of goods unless they were covered by fire insurance? Every creditor and every mortgagee requires that property which might be destroyed by fire be covered by fire insurance. Credit is based on character and character is based upon the man himself. That is why the leading banks and bankers of this country require the life of a man to be covered by life insurance.

"Mr. Shaw, you carry fire insurance on your property and liability insurance on your employees. Why not carry insurance on the most valuable part of the business, the brains?"

R. D. Hawes, president of the American Bankers' Association, states that it is not a question of whether

business insurance is a good thing. The big question is how much of it is adequate to indemnify against the loss of brain power involved.

President Clark of the Bradstreet Mercantile Agency says: "It's practically beyond doubt that the taking of business insurance strengthens the credit of firms adopting it. The increased confidence it establishes is recognized in the mercantile community and thus reflected through our report."

The U. S. Chamber of Commerce made the statement in 1921 that "the fact that a concern carries insurance on a plant, on stock, or on the lives of executives in favor of the corporation, or is protected by workmen's compensation or liability insurance, has an important influence upon credit."

SELLING SUGGESTIONS FOR INHERITANCE-TAX INSURANCE

I. *Approaches for Different Types of Prospects.*

1. "Mr. Bragg, here is a chart" (use that supplied by your own company or that supplied by the National Association of Life Underwriters, giving state and federal inheritance taxes) "which I know will interest you, if only from curiosity." If he asks "Why?" say, "Because this gives you accurate information about a subject in which every man who has been successful in accumulating a considerable estate is vitally interested."

2. "Mr. Doane, I wonder if you know how much it is going to cost you to die. The H. C. D. is pretty nearly as bad as the H. C. L."
3. "Mr. Betts, you have an enviable reputation in the commercial world for paying bills promptly. I wondered whether you had arranged your affairs so that your executors could pay the two big bills you will leave behind without sacrificing your securities. I mean the two bills in the form of federal and state inheritance taxes."
4. (To a farmer:) "This is a fine farm, Mr. Smith, and though it is clear now, there will be a mortgage on it which will have to be reduced within twelve months after your death." (The agent then explains that inheritance taxes are virtually mortgages that mature at death which cannot be postponed, but must be met immediately and in cash.)

Selling Points.

The inheritance tax is an expense that must be paid. The question then resolves itself into how it should be paid, whether by an annual deposit of perhaps less than interest during one's lifetime or by taking the best assets from the estate.

"You know, of course, that by the federal tax laws, fifty thousand dollars of your estate is exempt. But did you know that forty thousand dollars of personal life insurance payable to a designated beneficiary is exempt? This means that your tax exemption, if your

estate is left to your wife and children, under the federal law will be ninety thousand dollars instead of fifty thousand dollars?"

The Supreme Court of the United States, in rendering an opinion concerning the estate of J. Harsen Purdy, gave out the following figures, which show the decrease in that particular estate:

Gross estate—inventory value.....	\$769,799.39
Funeral expenses and expenses of administration.	61,322.08
New York State tax.....	32,988.97
Other state taxes.....	4,708.91
Federal tax.....	23,910.77
Total shrinkage.....	\$122,930.73
Net estate, passed on to heirs	646,868.66

It must be remembered that the tax must be met out of the prime assets of the estate; it is not a horizontal contribution levied upon all holdings, each bearing its proportion of it. The slow assets, undeveloped projects, and unmarketable securities contribute no cash toward meeting a tax which they have but helped to make larger. Upon the readily convertible parts of the estate, which are also the most valuable, falls the entire burden of meeting the tax, even at the hazard of their complete loss to the estate.

Life insurance brings in new capital to the estate just at the time the new exaction comes.

"Mr. Prospect, you would attach considerable value to the opinion of Mr. Elihu Root, wouldn't you? Well, let me show you what he thinks of meeting inheritance

taxes by life insurance." (Show prospect typewritten or printed statement.)

"I have come to the distinct conclusion that by far the best and indeed almost the only practical way of guarding against the possible ruinous loss through a forced sale of securities for the purpose of paying the various estate and inheritance taxes which are being imposed nowadays, both by the national and by the states governments, is by means of life insurance, which for a moderate annual payment will insure the sum necessary to pay such taxes without the sacrifice of securities."

Life insurance always pays taxes *for the estate*, not *from the estate*.

In the canvass for inheritance-tax insurance sometimes a prospect will say, "I do not think that my executors and heirs will have much trouble in taking care of these taxes."

One of the many ways of visualizing to him the trouble that they will have is temporarily to ignore this statement and immediately to state that life insurance on the single-premium plan would not cost much to cover these taxes and expenses of administration. Then quote the single premium rate, which, of course, will require a large outlay. The prospect will tell immediately the trouble he will have in raising this amount of money and maintain that he cannot take the insurance because he could not raise the money to pay the single premium.

Draw his attention to the fact that this is one of the troubles his executors and heirs will have in paying inheritance taxes and expenses of administration. Moreover, they will have more trouble because they will have to pay 100 per cent of the taxes and will not have the advantage of his familiarity with his own business affairs.

When discussing inheritance-tax insurance with big business men, you will usually find it a good plan to talk in percentages rather than in figures. They are accustomed to think in percentages and your statement that the insurance will cost about 4 per cent, for example, presents the idea more concretely to their minds than if you quoted the cost as forty dollars a thousand.

*Outlined Information on Inheritance-tax Insurance.*¹

Inheritance taxes are a preferred claim against an estate levied by the (a) federal government; (b) state where the deceased resided; (c) state where property is located; (d) state where corporation in which securities are held was incorporated.

Every man's estate is composed of various kinds of assets. A certain proportion of each of these assets may be liquidated only at great loss, but the government expressly requires the payment of the inheritance tax in cash, almost regardless of the loss to the estate from enforced and hurried liquidation.

Take a \$10,000,000 estate, composed, for the purpose of simple illustration, of, say:

¹ Outline suggested by Edward A. Woods of Pittsburgh, Pa.

1. Cash and Liberty bonds.....	\$ 1,000,000
2. Other prime securities.....	1,000,000
3. Residence, property, and quick real estate....	1,000,000
4. Mortgages.....	1,000,000
5. Inactive securities.....	1,000,000
6. Undeveloped real estate.....	1,000,000
7. Projects in process of development.....	1,000,000
8. Personal and other miscellaneous property....	1,000,000
9. Invested in own business.....	2,000,000

Total..... \$10,000,000

Such a Pennsylvania estate would be subject to a

Federal inheritance tax of.....	\$ 1,670,500
Pennsylvania tax.....	200,000

Total..... \$ 1,870,500

In addition to this there would be the legal costs, attorney's fees, administration fees, and all the normal taxes on such an estate.

The government tax must be paid within one year, unless extension is secured, which extension must bear 6 per cent interest after twelve months, and remains a lien against the estate until paid.

Irrespective of any debts, it is obvious that the payment of this amount in *actual cash* would drain the estate of its most valuable assets, leaving the slow, unmarketable assets, to say nothing of assets required to be liquidated to pay indebtedness. The payment of bequests of every nature, even to wife and children, can be postponed, and often must be, but these taxes must be paid, and that before, and regardless of the effect upon, any bequest.

How It May be Paid:

I. By maintaining sufficient cash on hand.

The estate is nevertheless diminished, and that, too, by the withdrawal of its most liquid asset.

It is sometimes very difficult, if not impracticable, to keep at all times such an amount of cash on hand.

It is sometimes quite unprofitable to keep at a low rate of interest a large amount of cash that might otherwise be more profitably employed.

The interest on this cash is subject to income tax.

II. By liberty bonds.

Liberty bonds are accepted by the government at par, if purchased by the deceased, but cannot be bought by the estate.

The estate is nevertheless diminished by the amount thus paid. It is sometimes difficult to keep on hand so large an amount of liberty bonds.

It is often unprofitable to restrict the income of so large an investment to the comparatively low return on government bonds, when such capital might be profitably employed.

The greater part of the income on such bonds is subject to income tax—on all holdings over \$160,000, and part of that only for two years after the war.

III. By liquidation of securities.

The estate would still be diminished by the amount of securities so liquidated.

The money invested in such securities is subject to income tax.

The settlement of an estate may occur at a period

when perhaps, for a number of years, even first-class securities could be marketed only at great loss.

IV. By life insurance.

Life insurance alone *brings in* new cash capital to the estate just at the time this new exaction arises.

The annual outlay involved is simply providing by a sinking fund, created by oneself during lifetime, what must be paid in any event, otherwise paid promptly by one's wife, children, or heirs. The inheritance tax is an expense that must be paid. The question is only how shall it be paid—by an annual payment of perhaps less than interest during one's lifetime, or by taking the best assets out of the estate?

Only by life insurance can a certain sum of money be paid at the uncertain time of one's death.

The outlay for life insurance does not produce income subject to income tax.

It may obviate the sacrifice of securities at a time when such might be unmarketable.

To the extent of the insurance, it obviates the draining of cash or other liquid assets from the estate.

There are generally other liabilities than taxes. A sufficient addition of cash life insurance might loosen up the entire estate and make the payment of the rest of the inheritance taxes, as well as other indebtedness, much easier.

V. By a combination of all these methods of paying the inheritance tax.

Of the above plans, each will help; and a prudent program will consider provision by various means for

the payment of a tax, the approximate amount of which at any given time is known, and which will surely fall upon the estate.

It must be remembered that the tax must be met out of the prime assets of the estate—it is not a horizontal contribution levied upon all holdings, each bearing its proportion of it. The slow assets, undeveloped projects, and unmarketable securities contribute no cash toward meeting a tax which they have but helped to make larger. Upon the readily convertible parts of the estate, which are also its most valuable, falls the entire burden of meeting the tax even at the hazard of their complete loss to the estate.

If the government permitted the tax to be paid by taking the same proportion of each kind of assets, the strain upon the estate would be greatly lessened. But it is required that, regardless of good or adverse conditions at the time of settlement, assets, no matter how ultimately valuable or slow of conversion, be liquidated wholly at the owner's loss and expense. Thus the most unsalable assets—household effects, paintings, porcelains, ivories, undeveloped coal properties, or new industries in course of establishment—must raise at any loss cash to pay this tax.

Life insurance alone adds immediate cash and may well in some cases save its entire cost by preventing losses that would be, and in numerous cases have been, caused by enforced conversion of estates into cash at inappropriate times.

SELLING INSURANCE TO FARMERS

Selling Plan.

I. What Service Am I Selling?

Insurance to cover needs such as:

1. To provide for family protection.
2. To cover a mortgage on his property.

II. What Will Make Him Want Insurance?

1. Appeal to sex and parental instincts. (Love for wife and family will make him want to think of them as always able to live in the same way as they are now living.)
2. Instinct for leadership. (Leaders in the financial world consider this the best form of investment. Will wish to use the same kind of judgment.)
3. Desire for approval. (His provision for his dependents will win for him the approval of those who know him and also the approval of the salesman.)

III. How Shall I Present My Appeal?

1. "That is a fine brood of chickens there, Mr. Jones" (a fine herd of cattle, a fine crop, or whatever the salesman may be interested in). "You must get quite a lot of eggs" (milk, or potatoes, etc.). "About how many a day? What do you get for them now?" "Well, Mr. Jones, for about — eggs" (quarts of milk, pecks of potatoes, etc.)

"I will give you a five-thousand-dollar policy; for — eggs a day I will give you a ten-thousand policy. Which shall it be?"

2. "Mr. Jones, how many acres of" (wheat, corn, or oats, or any other crop which the farmer cultivates) "have you?"

"Well, Mr. Jones, suppose your neighbor Smith over here should die and leave his children in want and you knew that by cultivating just two more acres you could keep Smith's family out of the county home, would you do it?"

"You would do as much for Mrs. Jones and the children as you would for another man's widow and children, wouldn't you?" (Placing the application blank before the prospect.) "Then cultivate the extra acres for Mrs. Jones and the children. The crop from these two acres will give you more than enough to make the deposit necessary to carry this protection."

3. (To farmer with a mortgage:) "Mr. Farmer, you wouldn't have refused to buy your property if you had been forced to pay seven and a half per cent instead of five per cent on your mortgage, would you? Well, this insurance policy just gives you an extra-fine mortgage for seven and a half per cent that gives the property to your family instead of to your creditors if anything happens to you."

4. "Mr. Farmer, you have often read of pigs which were sold for fifty thousand dollars, cows for seventy-five thousand dollars, horses for one hundred thousand dollars, dogs for ten thousand dollars, and chickens for five thousand dollars. Isn't your life as valuable to your family as these are to their owners?"
5. "Mr. Whitney, is your stock insured for the full value?"
"Well I am glad you carry some insurance on this stock at least, for if you should die your cows would have to take care of your family, educate your children, and look after your business interests. Don't you think you ought to give them a little help?"

*Selling Talk for Farmers.*¹

Farmer: "I have a seven-thousand-dollar mortgage against my eighty-acre farm that I must pay off; I have a wife and seven children to support; my grain last year was partially destroyed by hail; my corn was damaged by an early frost, and on account of feeding it to my hogs they died of cholera; I am still in debt for my farm machinery as well as for some seed I bought last spring. Now have you still got the nerve to ask me to buy life insurance?"

Salesman: "Mr. Blank, this certainly has been a hard-luck year for you, and if, after looking over this

¹ This selling talk is included through the courtesy of Mr. H. A. Chipman of St. Paul, Minnesota, who used it successfully in writing a policy for a farmer.

policy, we find that it will not help you out of your difficulties, then I am the last man in the world to advise you to buy it. Will you trust me that far?" (Explain policy and features.)

"Mr. Blank, there will be scores of men in the United States who are well and strong this morning who will not be alive to eat supper with their families to-night. You know that. Now I am going to assume for the moment that you will be among that number, and you know I might not be mistaken. In such a case you will be relieved of all these distressing burdens that you have just told me about, and to-night your wife, without notice, will take them from your shoulders to her own. Everything will be immediately transferred to your wife except your earning power. That cannot be handed over to her along with your debts and worries. Now let's face the situation honestly and squarely. If it is really going to be harder on *you* to lay up eighty-seven dollars on a savings account this year than it would be on your wife to step into your shoes to-morrow morning, take over this seven-thousand-dollar mortgage, pay off all your debts, and then go ahead and raise and educate your seven children without any earning power to do it with—I repeat, if you honestly believe that it would be harder on you to save eighty-seven dollars each year than for your wife to do all these things, then we will not talk about this insurance three minutes longer. But on the other hand, if it would be easier for you and your wife, working together, to lay up eighty-seven dollars this year than it would be for her to take the whole burden alone without any earning power, then you do want the in-

surance. It's up to you to decide which is easier. This is the question you must put up to yourself in deciding whether you should or should not buy life insurance." (Walked up to the house and found his wife picking geese for the market.)

Salesman (speaking to farmer's wife): "Mrs. Blank, could you raise and sell eighty-seven dollars' worth of geese each year?"

Mrs. Blank: "Yes. That would be easy."

Salesman: "Could you raise enough geese to pay off the seven-thousand-dollar mortgage on the farm, to pay off all Mr. Blank's debts, and enough more to raise and educate the seven children if anything should happen to Mr. Blank and you should be left alone?"

Mrs. Blank: "No, I couldn't do that."

Salesman: "Mrs. Blank, if you raised eighty-seven dollars' worth of geese each year and put the money into an insurance policy, it would never be necessary for you to face the other situation. Which shall it be?" (The sale was made.)

This selling plan for farmers is included for the same reason that the suggestions for business insurance and inheritance-tax insurance are included—to give you material on which to base your selling talk. No two farmers are any more alike, of course, than two lawyers, but since the associated interests of any group of men engaged in the same occupation are likely to be the same, the same sort of selling appeal often gets across.

PURPOSE OF THE SELLING TALKS

The purpose of the selling talks, as we have said before, is merely to provide groups of selling points on

which you can base your own talks rather than to give you speeches to be memorized. As a matter of fact, selling talks in which the salesman does most or all of the talking represent the poorest type of salesmanship. They represent a type of salesmanship to which beginners resort because of inexperience in managing the interviews if the prospect switches the line of conversation. The experienced salesman lets the prospect do sufficient talking to obtain information about the prospect in order to present a proposal which will tie up with the latter's needs. He isn't afraid to allow a few moments to pass without any conversation. He knows when and how to wait.

Suppose you were seated in your office and a well-to-do man came in with the idea of considering a program of life insurance. What would you say? You'd say, "Tell me about yourself," and as the interview progressed you'd use the selling points at your command only as they answered his questions or as they fitted in with what he had to say. Common sense would suggest this method of handling the interview, and there is no reason, just because you have gone to the prospect's office for the interview, that you should change your tactics.

When a physician comes to prescribe for your physical ailments he doesn't say, "I have an excellent cure for colds, some splendid medicine for headaches, and something which invariably helps indigestion. Would you be interested in trying any of these medicines?" He says, "Tell me about yourself" and bases his prescription on the information which you give him. You follow his directions, too, because you have confidence

that his advice is based on a careful consideration of your needs in the light of his professional knowledge. Your clients will follow your financial advice, too, if they feel confident that their specific needs have been your first consideration and that you have used your professional training and ability to prescribe for these needs in the light of the information which they have given you.

As we have said, if you are inexperienced you will find it advisable to prepare selling talks in order to have a framework on which to hang selling suggestions on various phases of the questions, but don't deliver these talks like sermons. Use your selling points only as the prospect's remarks bring up particular questions. Instead of trying to sell the prospect, let the prospect sell himself.

VIII

MEETING OBJECTIONS

"THERE are but two subjects upon which one may discourse with a free imagination and without the possibility of being controverted," says O. Henry. "You may talk of your dreams and you may tell what you heard a parrot say. Both Morpheus and the bird are incompetent witnesses; and your listener dare not attack your recital."

The average life underwriter can go O. Henry one better and remark that he can never launch forth into a recital without fear of encountering some opposition, and that no sale is made without meeting objections. If there were no objections it wasn't a sale at all; it was an order. The big question, then, is *how* to meet objections.

The question of how to meet objections does not come up merely in the sale. Most of the great orations in history have been powerful answers to objections.

When, during the Civil War, Henry Ward Beecher visited England to enlist sympathy for the Northern cause, he knew that he was to encounter a powerful objection. Liverpool, especially, where he made his famous speech, was a stronghold of feeling against the North, and the hall in which the meeting was held was filled with Southern sympathizers who were determined to break up the meeting.

First and foremost they objected to Mr. Beecher's speaking at all. Nevertheless, Mr. Beecher made no effort to oppose their views with arguments in favor of free speech. He said: "Again and again I have attempted to address audiences that, for no other crime than that of free speech, visited me with all manner of contumelious epithets; and now since I have been in England, although I have met with greater kindness and courtesy on the part of most than I deserved, yet, on the other hand, I perceive that the Southern influence prevails to some extent in England. It is my old acquaintance; I understand it perfectly, and I have always held it to be an unfailing truth that where a man had a cause that would bear examination he was perfectly willing to have it spoken about. And when in Manchester I saw those huge placards, 'Who is Henry Ward Beecher?' and when in Liverpool I was told that there were those blood-red placards, purporting to say what Henry Ward Beecher had said, and calling upon Englishmen to suppress free speech, I tell you what I thought, I thought simply this—'I am glad of it.' Why? Because if they had felt perfectly secure that *you* are the minions of the South and the slaves of slavery, they would have been perfectly still. And therefore, when I saw so much nervous apprehension that if I were permitted to speak, when I found they were afraid to have me speak, when I found they considered my speaking damaging to their cause, when I found that they appealed from facts and reasonings to mob law, I said: 'No man need tell me what the heart and secret counsel of these men are. They tremble and are afraid.'"

The speech which did so much to enlighten the English in regard to the plans and purposes of the North and to enlist sympathy with the Northern cause followed the psychological principles which the successful salesman, consciously or unconsciously, employs in every sale. Notice what Beecher has done in the introduction of his speech. He has turned the attack into a "boomerang" against the minds that threw out those ideas.

The insurance salesman does this very thing when he answers the prospect's, "I can't afford it," by, "The less it seems to you that you can afford life insurance, the greater is your need for it. Don't you realize that you can't afford to be without it?"

Of course, this is only one of several methods of meeting objections which will be discussed later on in this chapter. Beecher's success, like the success of any other great man who moves men's minds, was founded on a knowledge of the psychology underlying the meeting of objections. And since the psychology of objections is the same, whether against free speech, Northern ideas and ideals, or life insurance, it is possible through some knowledge of this psychology to analyze objections and to answer them by the most effective method.

CAUSES OF OBJECTIONS

It is an important fact in human nature that each person's mind tends to construct and live in its own mental world and to resist invasion. Hence, there exists in most men a strong predisposition to object to proposals which they think will commit them to an

unaccustomed course of action, or which will necessitate a rearrangement of ideas.

The person who is being solicited for any sort of proposition almost instinctively takes a defensive attitude. The more experience a person has had with salesmen, the more this defensive attitude is developed. In the parlance of the army, the more he has been shelled, the more defenses he has erected, including barbed-wire barriers, as well as listening posts.

A man may flatly refuse to consider life insurance, as such, because the idea does not fit in with his existing fund of experiences. But if the idea is presented to him as a continuance of the monthly check which he is in the habit of giving to his wife, his mind travels over a track which leads to a "Yes" response. Remember you are the engineer who is running the train of the prospect's thought, and if the signals tell you that the train is headed on the "No" track, you must be able, through a knowledge of the underlying causes of objections, to switch his train of thought so that his mind will travel on the "Yes" track.

It is, of course, difficult to determine the real basis of objections in any individual case. However, in general, they may be due to any of the following reasons:

The prospect's fears.—Probably fear of investing too much of his surplus in insurance or fear of starting something he can't finish without financial loss.

Unwillingness to change his buying habits.—He may have a certain plan which he follows in buying other

commodities. He may have the habit of shopping around before he buys, and will, therefore, not close the insurance deal until he has had the opportunity to look over other propositions.

Dislike for some feature of the policy.—This may be due to a positive dislike or a prejudice arising from incomplete knowledge of just what the policy will do.

Dislike for the salesman.—The salesman's attitude may not be pleasing. He may be persistent in trying to sell a policy that obviously does not fit the prospect's needs.

Incomplete understanding of what insurance will do.—If the presentation of the case in favor of insurance has been faulty, the prospect may not realize the true function of insurance, and objections, due to a lack of knowledge, will arise. He may actually see no need for insurance or feel that he can't afford it.

Some personal reason for not buying insurance.—The prospect may feel that the type of insurance or the insurance program proposed by the salesman does not fit his needs. The agent may have failed to find out the actual insurance needs of the prospect, and, consequently, is not able to suggest an insurance program which will fit these needs.

Fear of general business conditions.—He may fear a panic or hard times, assuming, of course, that in such times all unnecessary expenditures should be eliminated. Such a prospect fails to see that in a panic insurance is doubly valuable. It may be the only estate left to a family if the breadwinner dies during the period of business uncertainties.

TYPES OF OBJECTIONS

Objections as they occur in the sale may be grouped roughly as:

1. Excuses.
2. Reasons.
 - a. Fancied.
 - b. Real.

It would be out of the question, of course, to assign any objection to a definite group and to prescribe a way of meeting that objection. When a man says, "I can't afford it," he may mean, "I don't want to waste time talking to you"—in other words, use the statement as a means of removing you from his office. He may, on the other hand, wish the insurance, but raise the objection because of a mortgage on his home which must be lifted, not realizing the important part insurance would play in covering the mortgage if anything happened to him. Then, too, he may be just "dead broke" and his financial condition will obviously constitute a hindrance to the sale of any kind of insurance.

It is only through experience, from what has been said previously in the interview, and from the manner of the prospect, that the salesman can determine how to classify a given objection.

1. Excuses.

Excuses occur most frequently as "put-offs" at the beginning of the interview, or, if they interrupt the sales talk later, they are offered to cover up the prospect's actual reason. If you walk into a man's office and "off the bat" he says, "No, can't afford it,"

"Don't need any insurance, thank you," "Too busy to think about it now," he hasn't really considered the subject at all; the remarks are part of his defense reaction against the intrusion. It's much better not to argue about these excuses if you can help it. The prospect himself realizes that they are only partly true, but if you bring up reasons to show him that they aren't, he feels bound to bring up reasons to defend his stand and ends by believing the statements himself. Go around them.

One clever salesman states that he can overcome most trumped-up objections by writing the most familiar ones each on an index card, with an answer to the objection on the same card. When the prospect hurls out an objection he smiles and says: "Let's see. That's objection number four and here's the answer." For example, a written answer to the ever-recurring, "I don't need any insurance," like, "You don't, but your widow will," serves to divert the mind of the prospect rather than to attack his statement and switches the line of conversation to the track where you want it.

If he says he is "too busy," for instance, don't argue the question of whether he is really too busy or not. Get around the objection by, "When will you be ready?" and from his reply you can usually tell whether to put him in the class of "worth-while-spending-time-on" or "not-worth-having." If he is in the "worth-while" class he will usually react to a little friendly courtesy and give you an appointment at least.

Excuses of the more general type, such as, "I don't need it," "I don't want it," "I can't afford it," if they occur in the to-be-or-not-to-be point in the sale, where

actual opposition would be indicated by a specific reason, usually indicate that the prospect is covering his reason by this excuse. If, for example, you quote the premium and he thinks the charge excessive, the objection that he offers is a statement of his opinion. But if he comes out with a "No, I can't afford it," after listening to your talk, he probably has an unstated reason for not taking the insurance which he is covering with this excuse, and it's up to you to find out what the reason is.

Of course, you can ask him the reason, but do this only as a last resort, for, having made a statement, he will probably insist that it is a statement of fact. It is much better to employ the "suppose" method and trust to luck to find out the actual reason. "Suppose, Mr. Prospect, you had a mortgage on your house, wouldn't it be a tremendous relief to you to know that the obligation would be met if anything happened to you? And the same applies to any kind of financial obligation." "If you wish, we could arrange to take your note for a certain period of time, in case you don't care to have this added expense just now." In both these cases you have answered a possible objection before it has gained force by actual statement on the part of the prospect.

2. *Reasons:*

a. *Fancied reasons:*

A prospect may be perfectly sincere in his contention that he sees no need for insurance, that he can't afford it, that other forms of investment will better serve his interests,

or in whatever objections he raises to the purchasing of insurance. He may have weighed the question carefully before deciding in the negative. In many cases, however, even when the prospect himself really considers that no need exists, that he can't afford it, or sees some other obstacle, his negative response is due to an improper comprehension of the subject.

However, we are fairly safe in saying that a man who takes enough of his time to disagree with you offers a good selling opportunity, because his objection usually gives you information which aids you in completing the sale. If the reason offered by the prospect betrays an incomplete comprehension of the subject, the salesman is given an opportunity to bolster up his possibly weak sales argument.

A man wouldn't take the trouble to tell you that he preferred to create trust funds for his wife and children if he really didn't consider that to be the best way in which to leave money to them. But, at the same time, he gives you an opportunity to present the case for insurance.

If, for example, he "prefers other forms of investment," you needn't proceed to "run down" all forms of investment. You need only say, "Yes, Mr. Blank, you can get much higher interest, and if you could be sure that you could see your young son not only reach his majority, but launched on a

successful career, I wouldn't want to talk to you. But you know as well as I do that you have no guaranty that you will be alive next year, much less twenty years hence. Now, my proposition simply enables you to guarantee in any case, to your son, right now, exactly what you would do for him if you were alive and able to look after his material welfare." The more you know about life insurance, how it can be used, how it compares with other forms of investment, the better will be your chances of meeting objections which represent the prospect's actual convictions. If a prospect prefers trust-company administration and you know what you are talking about when you discuss trust company *vs.* life-insurance-company administration, you have a "fighting chance" which you do not have if you can't talk intelligently on the subject. He is really more interested in leaving his family well provided for than you are, and if you have a case and can state it clearly, he is not likely to let old prejudices stand in the way of the better plan.

b. Real reasons:

As far as we are concerned, it is unnecessary to devote much thought to this type of objection. If a man is unable to pass the necessary physical test for life insurance, if he is unable to pay for the insurance that he needs, or if circumstances are such that he actually

doesn't need and doesn't want insurance, it would obviously be a waste of time for the salesman to push the question farther. Be certain, however, that the statements of the prospect represent real reasons rather than excuses or fancied reasons.

METHODS OF MEETING OBJECTIONS

You will have to obtain probably no more than two interviews before you realize that your manner of meeting an objection will depend largely on the personality of the prospect. The salesman who invariably answered the "I don't need insurance" objection by, "Of course you don't, or you'd have sent for me. But why don't you?" would be considered "clever" by one prospect and "fresh" by the next. Experience in judging men is the only guide which will determine for the salesman the manner in which a prospect's objection is to be handled.

However, as in tennis, fencing, bridge, or chess, there are certain "returns" which assist in winning the game, so in the selling process there are certain ways of meeting the opponent's moves which are "sales-assisting" rather than "sales-resisting."

Probably the most important of these are:

1. The "Direct Return" ("The Boomerang Method").
2. The "Indirect Return."
3. The "Head-on Method" ("The Emphatic Denial").
4. The "Passing-up Method."

1. *The "Direct Return" ("The Boomerang Method")*.

The head of the sales department of a large cash-register company always gave his salesmen this advice: "No matter what your prospect replies, no matter what reasons he advances for refusing to buy or what his objection, your proper and compelling answer is always, 'That, my dear sir, is the very reason why you ought to buy.'

"If the prospect says business is poor, that's the very reason why he should buy a machine. It will make his business better. If he says, 'I can't afford it,' he argues against himself, for one of the machines will help him make more money. If he says, 'I don't need it,' he is resting in a sense of false security."

This, as we have said, is sometimes called the "boomerang method," since the objection is hurled back at the prospect in the form of a selling argument. It would be impossible, certainly, to answer every argument by this method, but the more objections you can return in this way, the better will be your chances of making a sale.

If the prospect says he is healthy and all his family long lived, that's the reason you want to insure him—your company insures only good risks. If he "has property and doesn't need insurance," that's the reason you wanted to talk to him—to show him what an excellent plan your company has provided for those who merely have to look out for themselves.

You will readily see that this method provides answers that are sales-assisting rather than sales-resisting. Especially is it an excellent method for answering "ex-

cuses," for it helps to eliminate the idea from the prospect's mind before he has brought up reasons to defend it and often provides a reason for the interview.

2. *The Indirect Return.*

The "indirect return" method is a method by which you seem to agree with your opponent, but swing from this point of agreement into statements which destroy the force of the opposition.

If your prospect makes the objection, "I am carrying my insurance with such and such a company," it would be poor salesmanship to say, "Well, that's no reason why you can't carry some in our company." The chances of making a sale would be far greater if the salesman replied, "That is an excellent company, but there are certain features in my company's policy to which I should like to call your attention."

There is a special type of "indirect return" which the salesman employs when, for example, he answers the prospect's "My wife objects to insurance," by, "Your wife does, but your widow wouldn't." He admits what the prospect says to be true, but follows the admission by a statement which destroys the force of the objection.

The "admission—but method," as it is sometimes called, is also very effective in meeting objections, for, since you have admitted what he said to be true, the prospect is forced in the name of good sportsmanship to consider the amendment you propose.

When the prospect tells you, for instance, that he is putting his money in his business and can make more in that way than by investing in insurance, tell him

that you know that in the ordinary sense that is true, but that if he will give you a sheet of paper you will show him why bankers and big business men are putting a certain amount of their savings in insurance. As you talk, write these figures so that he can see you:

Profits.....	30%
Interest at bank.....	6%
	<hr/>
Your worth.....	24%

As you write the figures, say: "Let me assume that you are making as much as thirty per cent on the money you are putting into your business and that you are paying the bank six per cent. This means that you yourself—your brains—are making up the twenty-four per cent—the big end of the profit—an insurable asset that must be protected in the same way that you protect your other property against all hazards."

Of course, common sense would dictate that you should not admit something entirely untrue for the sake of using this method. But if you can find some point in the objection to which you can agree, you can usually make the prospect feel that the objection was natural from his point of view, and then proceed to change his point of view.

3. *The "Head-on Method" ("The Emphatic Denial").*

You at once think, probably, that the use of this method is contrary to what has been said previously in regard to meeting objections—contrary to the "don't argue" advice. The salesman's own self-respect, however, and the good name of insurance as an institution, demand even an occasional denial in response to un-

founded criticism in the form of objections. The life-insurance salesman occasionally meets people who take pride in trying to belittle his profession. Frequently insinuations are made concerning the stability of insurance or the safety of the salesman's company. Try to put the burden of proof on the prospect, but correct his impression.

This does not mean that you need take a "you're-alien" attitude. When, for example, you meet some form of the "Your company pays too high salaries to its officials" objection, you can contradict the statement without making the prospect bristle by, "That isn't true." Merely say, "My company holds in trust millions of dollars of money that is going to be the sole support of a great many widows and orphans all over this country. The investing of this money means that we must buy the best brains possible in order to make this trust money safe." Or, to his attack on life insurance as an institution, "Mr. Blank, you must have been misinformed. Such-and-such a condition would be quite impossible under the existing insurance laws."

4. *The "Passing-up Method."*

Many objections are offered by the prospect which he doesn't expect answered. It is quite probable that he is groping for some objection on which he can base his case. He may raise four or five objections in quick succession without giving you time to answer any one. If such a situation arises, ascertain, if you can, what is at the bottom of all these symptoms and try to get at the real disease. In any case, however, it would be futile to answer all these objections. To "pass them

up" is the best way to meet them if you can do so without giving the prospect the impression that you are evading the issue. The larger number of them will never be referred to again. On the other hand, if the prospect has stated his actual opinion, he will probably dwell more or less insistently on the reason given and you can then either answer the objection or say, "I will take that up later." You should try hard not to become involved in answering objections until you have interested the prospect in your proposition. But if you have deferred your answer or feel that any fancied objection lingers in the prospect's mind, be sure to retrace your steps and answer that objection before you try to close.

Often and often you can "pass up" an objection, especially when it represents a mere excuse, by an amusing reply or a human-interest story which serves to divert the mind of the prospect rather than to meet his objection.

If the prospect says, "I want to talk it over with my wife," smile and say, "All right. If she O.K.'s the proposition we will make application for \$10,000; if she objects, we will make application for \$20,000, because her objections will show that she is a poor business woman.

THE SALESMAN'S ATTITUDE IN ANSWERING OBJECTIONS

In answering objections don't take the attitude of a debater—you aren't trying to win an argument, you are trying to sell a life-insurance policy. Don't be like the salesman who returned to his sales manager to report an interview. "Well, I beat him to death in

the argument." "Did you get the order?" asked the sales manager. "No," said the salesman. "The prospect was too mad to give it—but I certainly did lay him out."

To be able to answer the prospect's objections without introducing a sales-resisting element is the mark of superior ability in salesmanship. Such ability requires tact, courage, good humor, and a real appreciation of the prospect's point of view. The ability to smile when answering an objection has returned many sales that would otherwise have been lost.

If the salesman becomes irritated because the prospect makes an unfounded objection, the prospect will immediately think he has found the vulnerable spot in the salesman's armor. Even if the objection seems very trivial or absurd, it should be answered with great sincerity. In answering such objections, the superior attitude should be carefully avoided. Inform the prospect in such a way that he will recognize the fact that you are trying to serve his interests rather than trying to prove his objections absurd.

Suppose the prospect should say, "I have all the insurance I need; I have a thousand-dollar policy." The salesman might say: "Good! That will buy your wife and children a loaf of bread a day." While this answer might be the very kind to make to some prospects, still it would be far better to answer the objection in this way: "I wonder if you have ever thought of your insurance in terms of a daily income? One thousand dollars would yield about sixteen cents a day, which, at present prices, would purchase just one loaf of bread."

ANSWERS TO OBJECTIONS

The average salesman who is continually encountering objections would probably be surprised to know how few objections there really are. There seem to be hundreds of them, but, in reality, they all fall into relatively few classes, for the average prospect tends to say the same thing under the same circumstances.

As a consequence, you will find it worth while to keep a list of objections as you meet them in the sale and to plan answers for each objection. If an unanswered objection causes you to lose one sale, have an answer ready for the next time—it will surely crop up again. As a start, we have listed suggested answers for the twenty objections which a careful study has shown to be those which will most frequently appear during the interview.

1. I Can't Afford It.

"Mr. Brown, suppose your coal should cost you five dollars a ton more this winter than you expected. You would find a way to pay for it because you wouldn't let your family suffer. So buy this insurance and charge it up to your coal, for it may keep your family in coal for some time."

"The less it seems to you that you can afford life insurance, the greater is your need for it. If you had more money to-day than is actually the case, the more you would have to leave to your family. But the only way open to you to create at once the estate you need, and which might take years in accumulating in any other way, is by means of life insurance. Don't you realize that you really can't afford to be without it?"

"If you think you can't afford to set aside any of your earnings now, how do you expect your wife and children to do without all?"

"If your wife were stricken with appendicitis to-day and were ordered to the hospital, would you argue with yourself that you could not afford it, or would you send her? Do you practice the same rigid economy in all other things—your cigars, clothing, summer vacations, etc.? We really do provide for the things we consider necessary. Why not be consistent? Life insurance is a necessity, not a luxury, and should be classed with doctors' bills, food, clothing, and taxes."

“Mr. Smith, taking out life insurance doesn’t involve purchasing something that you can or can’t afford. It is merely paying a debt that you owe; assuming a responsibility that you as a husband and father will not wish to avoid. Can you afford to have it said that Henry Smith did not provide for his family as well as he was able?”

“Could you afford to insure me and assume the risk of this policy for the premium? You certainly could not. Why, then, compel your wife and family to assume an equally hazardous risk?”

“That statement reveals the fact that if you were to die now your family would suffer. If that be true, isn’t this the very best time to insure?”

2. I Want to Pay My Present Debts First.

"Of course you do, but at the same time, I'm sure you don't want to saddle your family with them in case anything happens to you. Well, isn't that the best reason in the world for taking out enough insurance to cover your obligations in case anything happens? The cost is small and it is the only way you can guarantee that your family will not be responsible for your debts."

"Mr. Blank, you belong, I see, to a preferred class of citizens, those who want to pay their bills. My company has been paying the debts of honest men for a number of years, and I wonder if you would not like us to guarantee to cancel yours if you have not been able to pay them off before your death."

"Your sense of honor in connection with that mortgage is mighty fine, but have you ever thought that by adding about two per cent to the amount you now pay as interest you could have the entire obligation satisfied in full in case you should be taken away?"

A prominent banker, who makes a practice of handling mortgages on farms, recently said: "If I should offer Jones, a farmer, a three-thousand-dollar loan at six per cent, with the right to foreclose if anything happened to him, and should offer him the same loan at seven and one-half or eight per cent, with the guarantee that if anything happened to him his wife and family would get a clear title to the property, he would cer-

tainly choose the latter proposition. What is more, if our bank could offer this latter proposition it would probably have more business than it could handle." The bank alone cannot offer such a guarantee, but it certainly can do it with the help of the life-insurance agent.

"Who would pay off your obligations if you should die to-night? Have you thought of that? A life-insurance policy would do it, and *more*."

"A fine idea if you live; but if you were to die before they were paid, would your creditors be paid? Of course you will pay if you live. Make *certain* of it if you die."

"You probably wish to pay off your oldest obligation first, don't you? The debt to your family is the oldest obligation. Sign here and provide for it."

3. *I Have All the Insurance I Want.*

"It isn't a question, is it, of how much insurance you want? Isn't it how much your family will need? Have you sufficient insurance and other investments to return to your family, at a safe rate of interest, approximately your present income? The man who thinks he is protecting his family when he takes out one thousand dollars of insurance is only protecting the doctor and the undertaker."

"Have you as large an estate as you want? Taking more insurance simply means creating a larger estate."

"Your salary is three thousand dollars a year. You carry five thousand dollars insurance, and you say that is all you want. If you had a building worth fifty thousand dollars, and if it were bringing you an income of three thousand dollars a year net, how much fire insurance would you carry on it? You wouldn't be satisfied with five thousand dollars, would you? You would take fifty thousand dollars if you could get it, but you probably couldn't get over forty thousand dollars. Then don't be satisfied with five thousand dollars life insurance, for the situations are exactly alike."

"I am not surprised to hear you say that. Most of us say the same thing when we are approached. Isn't it because we don't understand the proposition? If you had wanted insurance, you would have had it long ago."

4. *I Have All the Insurance I Need.*

"I certainly am glad to hear it. Very few persons can buy all the insurance they need. Are you sure, however, that you have enough insurance to pay your wife and children an income equal to the amount they now receive from you, money being worth about six per cent?"

"Your remarks indicate that you have caught the one big point about life insurance that most men miss altogether—that is, that life insurance serves needs. You may be absolutely right when you say you have all you need. Now you know your needs and I know how to make life insurance fit them. Suppose we talk the matter over for a few minutes; if you decide that you really have all you need, it will have cost you only a few minutes of your time; and if we decide that you haven't, I can be of real service to you."

"You probably felt so when you took it; but if you improved and added to a house, you would increase your fire insurance. Your responsibilities and earning power have both increased since you last insured. Let's cover them adequately."

"You say you have two thousand dollars of insurance and that is all you need. Probably you have never thought of this amount of insurance in terms of daily income. This sum invested at six per cent would yield ten dollars a month, or about thirty-three and a third cents a day. The important thing for you to consider is whether this is all your family would need."

5. *I Want to Talk It Over with My Wife.*

"All right, Mr. Smith, let's talk it over with her now. It doesn't pay to delay in matters like this. You are in good physical condition to-day, but who knows about to-morrow?"

"Let's see. You and Mrs. Jones have three children. In order that your wife may have a good understanding of the subject, have her first talk it over with a widow who has been left with three small children and no life insurance."

"You had better wait until you see if you can get a policy before you consult your wife. If you couldn't get the insurance your wife would be worried about you all the rest of her life."

"This is actually a present for your wife. You don't usually obtain your wife's permission before buying her a present, do you?"

"Your wife is usually willing to accept your judgment in business transactions, isn't she? Doesn't she usually rely on your experience in matters of this nature? Wouldn't she approve of your decision in this insurance matter? It is simply the fulfilling of your duty to make provision for her future. Sometimes women reject a proposition of this sort because they see only the expenditure of money for something which seems intangible. After you have secured the policy, you won't find it difficult to convince your wife that you have acted wisely."

6. I Am Single and Do Not Need It.

“Did you ever stop to think of yourself as old-man Jones thirty years from to-day? What, then, will you think of yourself as young-man Jones who neglected to provide for old-man Jones?”

“If you have no dependents, have you some one on whom you can depend in old age for support? You know Victor Hugo says, ‘The misery of a baby is interesting to its mother; the misery of a young man is interesting to a young woman; the misery of an old man is interesting to nobody.’”

“You will probably marry, but, whether you do or not, you are the one who is going to be dependent on yourself in old age. An insurance policy taken out *now* guarantees the certainty of a comfortable living at the time of life when you will most need and appreciate it.”

“Yes, I know that you are single, but aren’t you planning to marry some day? You are in good health now and can get the insurance which you may not be able to get when you need this form of protection. Take the insurance on the endowment form, and you can use the money for yourself if you have no dependents.”

“Twenty years from to-day it is likely you will either be dependent or have dependents. In any case,

during this time you probably will have need for some one of the numerous benefits which this policy will provide.”

“Since you are single, wouldn’t it be better for you to make a small sacrifice now and start your insurance at a cheap rate than to wait until you are married and compel your family to share the effort to pay for the same protection at a higher rate?”

“Wouldn’t you like to make sure that a certain sum of money was coming to you, say, twenty years from now?”

“Life-insurance policies may be used as collateral security. This value of insurance is not contingent upon marriage.”

“Carrying life insurance is a good letter of recommendation for your thrift and character. It represents an attitude of mind which employers are diligently seeking.”

7. *I Am Not Ready Just Now. I Will Take It Later.*

"The time to buy insurance, Mr. Prospect, is when you know you can get it. To-day you are apparently in first-class shape. A few months from now, who knows?"

"Mr. Blank, I often wait for men to get well so that they can get insurance, but it wouldn't be fair to wait to insure a well man. You might not be able to get it later."

"Did you say, 'I will take it later,' when the agent came to talk to you about fire insurance for your house? Well, isn't your earning ability even more valuable to your family than the house they live in?"

"Life and health are just as uncertain from now until the time you are ready to take out insurance as they will be later."

"You can make other investments at any time when it is convenient for you. You may not always be able to make an investment in life insurance. Anyhow, why do you wait until the price of this investment has gone up?"

8. I Will Think It Over.

“Be a good fellow and tell me what you are thinking about. Perhaps I can give you a little information.”

“Mr. Barton, I have quite a lot of satisfied clients, for I have devoted a lot of time to the study of insurance as to types of policies, benefits derived from it, etc. I know you are a busy man and don't have much time to spend thinking these things over, so why not, while I am here, give me a few minutes? Possibly I can help you if you will just give me an outline of your plans.”

“Do you know what may happen while you are thinking it over? There is a dark line” (here take a soft lead pencil and draw a heavy line on a piece of paper) “in the life of every man that is bound to come sooner or later—the line of uninsurability” (here shade one side of the line heavily), “and once a man has passed over that line all the money in the world cannot buy insurance for him. Can you afford to take a chance like that?”

“If this is a good thing for you, you want it now; if it is not a good thing, you don't want it at any time. You evidence an interest by having some life insurance. I would suggest you let me arrange for your examination. If you would like a little time to pay the premium, I can arrange that to your entire satisfaction.”

9. *I Can Invest My Money to Better Advantage.*

"Yes it *is* true that investments may make you rich and that life insurance never will, but when you come to think of it, life insurance will do something a whole lot more important, for it will keep your widow, your children, possibly even yourself, from being poor."

"I think you're right, for results prove you have exercised good judgment in the past, as you have succeeded in building a substantial estate, and no doubt your added experience will enable you to continue to make even greater future profits—that is, *provided* you live and *provided* you have no losses through causes over which you have no control, such as sickness, panics, low prices, or any one of the many things that bring failure to nineteen out of every twenty men by the time they have reached sixty-five. But can you afford to take a chance like that?"

"If you are successful with your investments, life insurance will be the means of insuring your estate so that it may be handed over to your family without danger of its total or partial loss. This is more important now than ever before, with the state and government inheritance taxes, which have made it impossible for a man to die out of debt—in fact, the more he has, the greater will be his indebtedness."

"Has anyone ever called your attention to the fact that our greatest and most successful financiers are also

the holders of the largest amounts of life insurance? Remember, too, that their opportunities for successful investments are almost unlimited.”

“If you can use your money to better advantage, that represents ability which should be underwritten; your family probably could not invest in anything better, considering safety and certainty, than in insurance. If you have this ability, protect this asset of your family’s through insurance.”

“Life insurance has many good features. The investment feature, while good, does not tell the whole story. It gives peace of mind, because it has enabled you to create an estate immediately that would have taken you years to accumulate—it makes possible the realization of your life’s objectives if you should happen to be taken away prematurely. Considering the question from all sides, can you invest your money to better advantage?”

“Possibly you can use it to better advantage as far as you yourself are concerned, but can you use it to better advantage as far as your family are concerned? Only through life insurance can you be absolutely certain that they will always enjoy the comforts and advantages they now have.”

10. *My Wife Objects to Insurance.*

"No doubt she does. Lots of women do for the simple reason that they hate to face the situation of getting along by themselves. But is that any reason why you shouldn't face it?"

"Your wife may object to insurance, but buy it for your widow. Do you think she would object?"

"Does your wife object to a definite allowance each month? If you were to go away for a six months' trip, would she object to a check of one hundred dollars each month? Then do you suppose she would object to an income after you are gone? If not, talk income to your wife. Call your insurance your salary-continuance plan."

"Most wives and mothers are reluctant to ask for anything for themselves, always fearful that it may hinder the business scheme of the husband or son. They sometimes pay dearly for their timidity and kindness.

"Because your wife is willing to risk leaving your family in distress, you are not justified in doing so."

"That is rather unusual. Women are the best friends of life insurance, because it is the fact that it is for the protection and guarantee of their happiness and welfare which prompts men to turn to life insurance.

"Your wife may object because of her unselfishness. Let me show her how you can be protected at the same time. When she hears the whole story and sees that the insurance benefits you, probably she will not object. May I tell her the whole story?"

II. I Prefer Assessment Insurance.

"If you were to rent a house, would you choose one that would cost you more each year? Would you choose a landlord who would raise your rent as you grew old, and when you could not pay the added burden would drive you out after you had paid enough to buy the place? I am sure that you would avoid this if you could see far enough into the future to be certain it would happen should you choose to rent such a place. You would prefer to rent a house for which the rent would remain the same and to get a contract, if possible, that would make you the owner of the house after renting it a certain number of years.

"The latter plan represents the contract of my company, while the former is like a fraternal or assessment society's contract."

"In November, 1917, in Des Moines, an assessment company found the structure ready to crumble of its own weight and raised its rates from three dollars and eighty-five cents to twenty-one dollars and twenty-eight cents a month on a two thousand dollar policy. The case was brought to the Supreme Court by three thousand veteran policyholders in the state, and it was ruled that the assessment company had not violated any contract in raising the rate and in refusing to refund the premiums already paid in." (The recital of the facts of this case should be sufficient to meet the fraternal-insurance objection.)

"A few years ago a certain man was turned down for old-line insurance. When his estate was settled some time after his death it was found that he had been insured in sixty fraternal orders for a total of twenty-eight thousand dollars. This insurance had been purchased after his declination by the old-line company. Insurance protection for such risks is very expensive for the assessment companies."

"You are no doubt aware of the fact that fraternal orders have two purposes—the social and the insurance. The social is as important in the eyes of the order as the insurance; hence, poor physical risks and poor moral risks are often accepted if the candidates are talented in a social way."

"Your fraternal policy probably will satisfy you so long as you or your beneficiaries do not need the insurance; it gives you the feeling that you have protection. As a friend of mine you are now warned that these policies are not contracts at all. No contract is worth anything unless it has security back of it. You have neither a guarantee nor security. Fraternal orders are all right for social purposes; but you should supplement their form of protection with old-line insurance."

12. Against My Religion.

"Mr. Jones, why do you bother to come to the office six days a week if Providence will take care of your family? Don't you think there is as much chance of their being provided for now as after your death?"

"Joseph, during the years of plenty, stored up grain for the years of famine. Life insurance does exactly this very thing. You make provision for the days of lean during the years of plenty."

"First Timothy, Chapter V, verse 8, reads, 'But if any provide not for his own and especially for those of his own house, he hath denied the faith and is worse than an infidel.'"

"Your type of religion is quite unknown to me, Mr. Smith, but if you say it is against your religion to protect your wife or widow, will your religion protect her?"

"Have you ever passed the hat in your church to help some one of its unfortunate members? Well, insurance merely systematizes this form of benevolence."

"Your religion doesn't object to estates or incomes, does it? This insurance which endows at age sixty-five will provide you with an income as long as you live. If you die before age sixty-five it is your method of creating an estate for your widow and children. Consider it in terms of an estate and income."

13. I Can Save My Own Money.

"If you should die after one year of saving, the amount left by you would be very small compared with the amount you would leave if the same amount were invested in insurance."

"That is probably true; you can, but will you? Are you sure you will live long enough to save all that you would like to save to take care of your responsibilities at your death? Your potential value is great, and there is only one absolutely sure, safe, and scientific way to protect that value, since you do not know just when death will occur."

"How long will it take to save the full amount you have set out to save? There is just one way in which you can deposit your savings safely and have the full amount that you eventually hope to save guaranteed to your family, whether you live to complete your savings or not."

"Your first deposit on an insurance policy guarantees that the face value of the policy will be paid, should anything happen to you, even should this occur ten minutes after the first deposit had been made, provided you have passed a satisfactory medical examination and the society has found you to be an acceptable risk."

"Of all the individuals who open savings accounts at the beginning of any year, by the Fourth of July only 50 per cent are still systematically saving, and by Labor Day only 25 per cent."

14. I Have Property and Do Not Need Insurance.

"The fact that you have property is the one big reason why I came to see you regarding insurance. My company wants thrifty, prudent people as policyholders. These are the people who appreciate the value of saving. Insurance will protect your family against the loss of this property by making it unnecessary to part with any of it to meet obligations arising in connection with the settlement of the estate."

"The property should remain intact for the estate just as you have it now. Insurance takes care of the inheritance taxes so that you can be sure that it will."

"The fact that you have worked hard to acquire property to protect your wife and children shows that you are intensely interested in creating a definite estate for them. You are to be congratulated on your effort, but are you sure that your method is absolutely sound? What you have done may or may not yield permanent income. The property may depreciate, it may be sold, it may be traded, it may be stolen, and then your *plan* will be destroyed. This will all take place after you are gone. Make sure that your provision for your wife's and children's incomes will be guaranteed and perpetuated. An income policy is the only way to guarantee your plans for the future of your family."

"A life-insurance investment is not like an investment in property. Life insurance will return a fair rate of interest and will increase in value. This may not be the case with property, because of the depreciation factor."

15. I Can't Pay for It Just Now.

"If you ever take out insurance, you are going to have to pay for all that part of your life that you should have carried insurance and did not, simply because the older you get, the greater is your chance of dying, and you have to make up for that part of your life when the chances of dying were not so great. Don't you think you might as well have the protection right away?"

"When one of my clients says that he can't pay for it just now, I am forced to believe that he has not had the case for insurance clearly put up to him. If your wife were stricken suddenly with appendicitis, if you were to contract pneumonia, if another child came into your family, some provision would be made for those contingencies. It simply means that if you are made to see the need for insurance more than the need for some temporary expenditure, you can take care of the financial part. If it is a matter of immediate cash, we can help you out of the difficulty very easily. I can take your note for a part of the settlement."

"Your statement indicates that, at this particular time, immediate cash is rather scarce. Do you realize that if anything should suddenly happen to you, your dependents would be in a difficult position? When you find it difficult to pay premiums for insurance, how much more difficult would it be for your wife to raise immediate cash if anything should happen to you?"

16. I Do Not Believe in Insurance.

"That is a remark which we seldom hear nowadays. Almost everyone believes in insurance as an institution. Perhaps you do not realize just how it would fit your individual case."

"You may not believe in insurance, but the man who plays the game of life without insurance is simply betting his wife and children that he will live long enough to make a fortune or that the fortune he has will remain intact. And if he loses, it is they who suffer the consequences."

"Do you believe in supporting your wife? Do you believe in supporting your wife as long as you possibly can? Do you believe in giving your children a real chance in the world? Do you believe in giving your children an education? Do you believe in keeping widows out of poorhouses? Do you believe in widows and children having at least a small income to keep them from starvation? Do you believe in providing for your old age?"

"If you do, then you believe in life insurance, because these things are what life insurance will do."

"Would you like to have your children taken out of college because of your death? Would you like to have your family separated? Would you compel your wife to seek employment immediately upon your death? If you dislike these situations, you like the idea of insurance. Make the idea a reality."

17. My Children Can Support Themselves. I Had to Hustle, and Why Shouldn't They?

"Perhaps they will be able to make their own way in the world and reach the point of success that you have reached. Still, haven't conditions changed considerably since you started out for yourself? This is the day of the trained man and woman—the specialist—and it won't be so easy for them to succeed by sheer force of industry and perseverance, without any special education, as it was for you."

"I have no doubt that they can support themselves. But do you wish to have your children spend the early days of their lives plugging away while other men's children are enjoying some of the splendid advantages youth affords? There are too few bright spots in this old world to take any of them away from those you love."

"Of course I will agree with you that there is a possibility of spoiling children with too much money. I am only asking you to provide for necessities, not luxuries. One of these necessities is education. Do you know that an investigation showed that only thirty-one men out of five million people in this country who had no schooling attained distinction? Does education help? Let's see. Out of thirty-three million who had elementary schooling, eight hundred and eight attained distinction. Out of two million who had a high-school education, one thousand two hundred and

forty-five attained distinction. Out of one million who had college education, five thousand seven hundred and sixty-eight attained distinction.”¹

“Less than one per cent of American men are college graduates, yet this one per cent of college graduates has furnished fifty-five per cent of our Presidents, thirty-six per cent of the members of Congress, forty-seven per cent of the Speakers of the House, fifty-four per cent of the Vice-Presidents, sixty-two per cent of the Secretaries of State, fifty per cent of the Secretaries of the Treasury, sixty-seven per cent of the Attorney-Generals, and sixty-nine per cent of the justices of the Supreme Court.”

“In the first edition of *Who's Who*, out of ten thousand names of prominent men, thirty-nine had no schooling, one thousand and eight had common-school education, one thousand five hundred and forty-five had high-school education, and five thousand nine hundred and ninety were college graduates.”

“If you, through negligence, fail to provide the means for the education of your children, you will greatly handicap their chances of success. Even with an education, they will still have to hustle enough to satisfy your requirement that they, like you, shouldn't have it too easy. Don't handicap them, but give them an equal start with your friends' children.”

¹ Figures from *The Money Value of Education*, U. S. Government Bulletin, 1917, No. 22.

18. *I Don't Want to Leave a Lot of Money for Some Other Man to Spend.*

"Neither do you want to leave a wife and family for some other man to support."

"Well, don't you think it might be a good idea to leave your wife enough money so that she would not have to get another man, if she didn't want to?"

"Your family is really your family as long as any member lives—not just as long as you live, Mr. Jones. Provide for your family as long as necessary—not just as long as you live."

"Would you spend a woman's insurance money? Wouldn't you have too much pride to use money left by her former husband? Your widow would probably marry a man with just as high ideals as your own. She used good judgment once. She probably would use good judgment a second time."

"Have the insurance paid to your wife on a life monthly income plan. The insurance would not be paid in a lump sum. An income of one hundred dollars a month would not be so attractive to adventurers as the whole eighteen or twenty thousand paid at once."

19. *My Wife Earned a Good Salary Before We Were Married and She Could Return to the Same Occupation.*

"Have you any guarantee that your wife will be in good health when you die? Also, she may be able to earn her living, but be unable to save enough for her old age. Wouldn't you like to lay aside a definite amount to cover such contingencies?"

"Are you going to support your wife as long as you live or as long as she lives?"

"That may be all very true, Mr. Jones, but in the event of something happening to you, do you think your wife could go out and command the wages to-day that she received before she married you? Then you must consider the future of your little daughter. What would become of her if she did not have her mother's care and attention? She couldn't have this if your wife were forced to work in order to support herself and the child, could she? Remember also that it would take some time for your wife to prepare herself so that she could take up her former work. Who is going to look after them during that period? Naturally you are a proud father and you would not wish to see your daughter put into some home while your wife was trying to find some work or prepare herself for the work. These things would happen to you if you died without any insurance. You can provide against these dangers by taking out insurance. You will leave your wife enough, I know, to allow her to give all her time to your little daughter."

"If this is your way of looking at the matter, then you should take out enough insurance to allow your wife to start her work without any handicap. Your sickness and funeral expenses must be met. Your wife will have to employ a nurse girl for a little while. Your wife will need some time to recuperate. Provide for these contingencies."

"You are fortunate to have a wife who could earn her own living and who probably has splendid business ability, too. But even if she could support your family, do you think they would have as good care if she had to hire some one to look after them while she was at the office?"

20. *My Wife's People Are Wealthy.*

"That certainly gives you a splendid opportunity now to buy insurance a little more extravagantly than you might otherwise, without deprivation to your family."

"Well, since it is your opinion that your wife's father would prefer to make sure of his daughter's support rather than have you take out life insurance, I suppose I'd better ask him about taking out insurance, hadn't I?"

"Wouldn't you be pleased to have your son educated by you rather than by his mother's people? Wouldn't your son be delighted to have his education provided by his father? An educational endowment policy will give your son this independence."

"Yes, but haven't there been times when your wife would have made bad investments if it hadn't been for your advice? She might lose all the money left to her in a very short time. Why not provide a monthly income for her?"

"But if anything should happen to you, would you want your children to grow up with the idea that their father had not been able to provide for his family?"

THE SALESMAN'S USE OF THE ANSWERS TO OBJECTIONS

We have listed these specific answers to objections for the same reason that we have listed the specific suggestions for the approach—as methods which life underwriters have used in making the members of their communities realize how insurance serves needs.

Every person realizes that a social worker must go armed with answers to objections if ministering to an unintelligent group of people, even though the benefits of the service which is offered are clearly evident. Otherwise the individuals of the group, failing to realize the benefits of the service, will in most cases refuse even to talk with the person who comes to see them for no other reason than to serve their interests.

The insurance salesman usually ministers to a relatively intelligent group of persons, but the man who states that he doesn't believe in insurance or makes a similar objection to the service which insurance can render should be brought to a clearer understanding of what insurance aims to do, for the same reason that the tenement dweller should be brought to a clear understanding of what the Health Department aims to do—that is, in order that his own best interests may be served.

IX

THE CLOSE

"Standing Room Only!"

Have you ever walked up to the ticket office of a Metropolitan theater and had this remark mumbled at you by the individual on the other side of the barred window? There were probably lots of plays that you wanted to see just as much, and it wasn't a matter of life and death whether you ever saw that particular play, but what did you do? You probably hustled around to all the ticket agencies in town until you did get tickets for that play for that night, even if you were financially embarrassed for a week afterward. Why?

Just because human nature is such that if your desire for something has been raised to a certain point, the slightest push, especially if it touches your fundamental instincts, will cause you to make a struggle to obtain what you want.

You had planned to see that play. The ticket seller told you that so many other people wanted to see that play that night that you couldn't see it unless you were willing to stand. You weren't willing to stand, but, on the other hand, you were not willing to have other people do something that you couldn't do. Your fighting instinct was aroused and you made an actual struggle to attain your end.

Most certainly the insurance salesman does not wait until the prospect expresses a desire to purchase insurance before he gives the final push, but he plans definitely to bring him up to the desire point and then to use an appeal which will touch his fundamental interests deeply enough to force him to action.

Because of the difficulty in judging whether or not the prospect has reached the desire point, it is not strange that many salesmen approach "the close" with a sort of "zero-hour feeling." It is, of course, the critical part of the sale, but if we use a little common sense, which, by the way, has been defined as "guessing right more than half the time," it does not follow that it is the most difficult part.

Closing has often been considered particularly difficult because failure to get an order has so often been blamed on the salesman's inability to get the necessary "Yes" response at the final stage in his effort. In reality, however, the successful close or the unsuccessful close depends not so much on the cleverness of the salesman in managing this part of the interview, but rather on his efficiency, or lack of it, in the stages leading to the final step.

The elder Dumas once declared that the secret of success on the stage was to make "the first act clear, the last act short, and all the acts interesting." And about this same formula could be applied to the successful sale.

If you miss the first act of a play, even though it is the most exciting melodrama or the most thrilling detective play, you aren't interested in what is happening on the stage until you understand the plot. If there is

any light at all, you will read your program rather than watch the action to find out "who's who, and why." And the prospect's mind works in the same way as yours. You can never close a sale if your "first act" hasn't made the situation clear.

If you have given any thought at all to the tragedies of Shakespeare you must have realized that their greatness did not depend so much on Shakespeare's cleverness in handling the critical situation as in his care in preparing our minds for these situations and their outcomes.

The frequently repeated "if Macbeth had been Hamlet or Hamlet Macbeth, neither tragedy would have taken place," expresses this same idea. That is, if the character of Hamlet had in a single act been that of an arrogant, fearless prince, we could not imagine him hesitating to slay the man who had murdered his father. Also, if Macbeth had once appeared as a shrinking, mild-mannered youth, the series of bloody murders in which he played the leading part would have seemed preposterous. Just as preposterous, however, is the idea of making a successful close when you haven't prepared the prospect's mind for the final step.

This does not mean, of course, that you need to explain everything you know about the policy you are urging him to take. It does mean that you should explain just how it will serve his interests.

Some one has made the remark that a "bore is a man who can't listen to your best story without having it remind him of something." In other words, he is a man who can't get the ever-necessary "you attitude," but you must get it if you are to be a successful sales-

man, for a prospect will never buy if he is bored. "All your acts will be interesting" to the prospect only if the selling talk from the beginning to the end concerns him and his affairs.

We must realize at the outset, then, that the poor approach, the poor sales talk, the poor answers to objections, must shoulder quite as much of the responsibility for the signature not secured as the poor close.

THE PSYCHOLOGICAL MOMENT

When you were a boy did you ever keep a cocoon stuck up in your room through the winter so that you could see the butterfly come out in the spring? And when you heard just a little scratching inside that told you "something was doing," what did you do? You were tired of waiting, so you probably took out an ever-ready penknife to help the butterfly along. And then what happened? Instead of the beautiful butterfly that you expected to fly across the room, a weak insect wobbled about the floor for a few moments and then flopped in a corner—stone dead.

You were ready for the butterfly to come out, but the butterfly wasn't ready to come, and your attempt to force the issue killed your chances of seeing the butterfly doing the thing that you had hoped.

The average prospect with whom you come in contact during the life-insurance interview may not remind you very much of the exquisite winged creature, but there are salesmen, however, who consider that there is one definite moment when he will "come across" and that unless you recognize that moment your chances are eternally lost.

As eminent an authority as Dr. H. D. Kitson states that "the experience of sales managers goes to show that the salesmen who fail are deficient most frequently in ability to get past the psychological moment. They make a good approach, arouse interest in the goods, and create strong desire, but are unable to make a good closing. They err in two ways—in trying to force a decision too soon, before the idea has had time to reach the maximum dimensions, or in delaying to press for a decision until after the idea has ripened and decayed. In either case, their error lies in a failure to recognize the psychological moment."¹

Much else has been written about the psychological moment—the moment which is supposed to arrive somewhere near the end of the interview, when the mind of the prospect will receive the offer with enthusiasm. The writer's experience, however, causes him to agree with those authorities who consider that this psychological moment is largely imaginary and that the fear of missing this moment causes needless worry.

Of course, in every canvass, there is a moment which is propitious for trying to close, but this moment is of no more importance than many other moments in the process of the sale, and if you fail to recognize it, your chances of making a sale are not irretrievably lost.

There is a moment of great importance when the prospect is compelled to focus his attention on the proposition you are presenting. There is another significant moment when his attention changes to interest; another, when his personal desire begins to show itself.

¹ Dr. Harry D. Kitson, "The Psychological Moment," in the *Scientific Monthly*, September, 1919.

The psychological moment for closing is just one in this line of critical moments and of no more importance than its predecessors. Moreover, if you let it go by, you haven't damaged your chances beyond repair. Nor will you necessarily lose out if you try to close too soon.

"TRY-OUT" CLOSES

In fact, it is even safe to make "try-out" closes during the course of the interview.

Perhaps, as a boy, you have waited hungrily around the kitchen stove until the cakes were baked. You may remember seeing your mother draw the pans carefully from the oven "to see if the cakes were ready to take out." She stuck a straw in first the one, then the other. If the straw came out dry, the cakes were taken from the oven and your chances of getting a piece in the near future were pretty fair. But if the straw was sticky, the cakes were shoved back into the oven and your wait was somewhat prolonged.¹

A try-out close is just that kind of test. If your "feeler" comes out with "half-baked" doubts or objections sticking to it, the prospect is not "ready to be taken out." Put him back in the oven of the sales talk where the heat of suggestion or persuasion can work on him a little longer.

This try-out close may be likened to the man who is trying to persuade his friend to go for a walk. He talks to him about the desirability of taking a walk, of what they will see. He probably says: "You like fresh air, don't you? You always like to see interesting places?"

¹ This illustration was furnished by C. J. Rockwell, Carnegie Institute of Technology.

He is now establishing the "Yes" attitude of mind. He then reaches over and gets his friend by the sleeve and gently pulls him, saying, "Get your hat now; let's get started before it gets dark." Note that there are two elements in this try-out close. First, the "Yes" attitude of mind is established; and second, a gentle pull is exerted in order to start performance. In this case, if the friend hadn't said "Yes" to the questions, it would have been a signal that there was still real opposition to the idea of the walk. Even though he did say "Yes," it was necessary then to exert the slight physical pull in order to overcome his muscular inertia.

TESTS FOR THE CLOSE

In testing, then, to know when to attempt a "try-out" close, see whether you can get the "Yes" response from the prospect. Ask him questions which you know will compel him to say "Yes." Lead on toward a commitment. If he debates or is stubborn, you know he is not quite ready.

But you can often make the prospect's mind travel in a "Yes" groove even to the final question; for example:

"This is perfectly clear to you, isn't it?" Answer: "Yes."

"This is an especially strong feature, don't you think so?" Answer: "Yes."

"You like the idea of settling the policy in this way, don't you?" Answer: "Yes."

"You would like to have a contract of this sort, wouldn't you?" Answer: "Yes."

Another test for the time to close is to see whether your prospect is paying attention. You can test for

attention by injecting a question, occasionally, which requires real thought on his part. If he answers promptly and is very alert, you know he is interested in your insurance proposal. Then if his objections become less frequent or if statements which you made in the early part of the canvass and which were questioned by the prospect are presented by you a second time and meet with the prospect's approval, probably you can safely say, "What's your wife's full name?"

Some writers consider that there are physical evidences of the psychological moment. The writer does not believe in these evidences, but cites this point of view from the writings of H. D. Kitson.

How may one recognize the psychological moment and how may one cultivate a sensitiveness for its approach? Undoubtedly there are signs that accompany it, for successful salesmen sense it readily. Their awareness of it, however, is not a vividly self-conscious matter, for they cannot tell how they recognize it. If pressed for a description of their method, they would probably say, by intuition, and this may serve as well as any other word. But the process of intuition may be further analyzed and is found to be a process of conscious apprehension through sense avenues which we all possess. Many of the things that warn of the approach of the moment in the sale are small involuntary movements on the part of the buyer, such as slight inclinations of the head and trunk, minute contractions and relaxations of bodily muscles. Even so slight a change as that in the size of the pupil of the eye may serve to indicate to the practiced salesman that the portentous moment has arrived. Other more obvious signs may consist of verbal responses of the buyer, for the skillful salesman does not do all the talking in engineering the sale; instead he throws out frequent feelers in the form of questions, and by the warmth of the response, can judge how nearly a decision has been reached.¹

¹ Dr. Henry D. Kitson, "The Psychological Moment," in the *Scientific Monthly*, September, 1919.

If the skillful presentation of your proposition convinces the prospect that it fits in with his particular needs, and if he has the mental strength which enables him to make prompt decisions, you may bring the interview to a satisfactory close in a very short time. On the other hand, if there have been any flaws in your sales talk, or if he belongs to the type which naturally procrastinates in making decisions, he may need to be reassured on many points before the sale is closed.

The man in the airplane may know that after he has passed a certain point in his course a landing would be possible. He may select a spot where a landing might be made, but if, in descending, he sees any possible obstacle to a safe landing, he may rise again, fly farther, and select another possible landing place. He may make a number of descents before making the actual landing.

In the same way the close may be possible for the salesman any time after he has aroused the desire of the prospect for insurance. He may make the descent for the close shortly after passing this desire point. If he sees any doubts in the mind of the prospect, however, it is far wiser for him to rise into his sales talk again. Even if he makes a second or third descent and finds objections which might prevent a satisfactory close, it is much wiser for him to rise again and to fly until he can land safely.

Of course, this trial landing must be made carefully, gradually, and under full control. If the salesman allows the interview to get out of his control by failure to answer an objection, for instance, or if his descent is too abrupt to be stopped midway, a crash may occur.

To close a sale successfully should be no more difficult for the salesman, under ordinary circumstances, than for the aviator, under ordinary circumstances, to land safely. The exceptional salesman may be able to bring about a close through pure dominance, but the plan is unsafe and unwise for the average salesman. Ordinarily, the successful close is made only when the proposition has been made so attractive to the cautious or doubting prospect that the suggestion that he should take out insurance, when made with sufficient firmness and diplomacy, suffices to tip the scale in favor of the purchase.

If the salesman's suggestion fails to tip the scale in the first place, however, he should not for a moment consider that his opportunity is lost. His side of the scale may need the weight of a little more argument, a few more good reasons for buying insurance; or, on the other hand, the weight of objections on the prospect's side may need to be lightened.

"I can't afford it now. I'll take it in three months."
"That will be perfectly all right, Mr. Jones. You may have the policy immediately and I will take your note for the amount, which you can pay in three months."

The prospect's weight of objections has been lightened by the elimination of the price objection, and the salesman's "Why not now" suggestion will probably tip the scale in favor of the purchase.

If we knew of any plan which would unfailingly lead a prospect to follow our desires, we would give it to every salesman gladly. The salesman must rely to a certain extent, however, on pure horse sense in deciding whether his closing tactics are "sales-assisting" or

“sales-resisting”; whether he can safely go ahead after the trial close in his efforts to get the prospect’s signature, or whether it would be best to launch into the sales talk again.

SIGNALS

There are certain questions which the prospect may ask which mark the closing moment. When a prospect asks how much the policy will cost or how much \$1,000 will cost or asks any question about the cost, that question is the signal for the agent to stop his sales talk and close immediately. If a prospect says, “I will take five thousand dollars,” and you are trying to sell him \$25,000, stop right there and write the application for \$5,000. The reason you didn’t sell him \$25,000 was probably due to your proposition. Close him for \$5,000, order out the \$20,000, and try to deliver it when you deliver the \$5,000. You had better find, in the meantime, some better canvassing material.

If the prospect asks such questions or makes remarks of the following nature, he gives the signal for a possible close:

“I am afraid I can’t pay for it now.”

“When will I have to pay for it?”

“I like your proposition, but I haven’t the money just now.”

“That’s a mighty good proposition.”

“I think I will take some in two or three months.”

IMPLIED CONSENT

In the close of a life-insurance sale, very few prospects will say, “Yes, that is great; I’ll take ten thousand

dollars." Most cases are sold with the implied consent of the prospect. You, as salesmen, assume that the sale has been made and begin to fill out the application blank. Proceed to ask whatever questions are necessary for the application.

THE ALTERNATIVE PROPOSAL AND DECISION ON A MINOR POINT

Remember that you lead your prospect up to the closing point, then you must push him over.

The prospect may be led through all the stages up to the close and be left without any action being demanded of him by the salesman. He may be positively anxious to do something, but the salesman goes on with his talk and finally talks the prospect out of the notion of buying. Get the prospect to make some decision on a minor point. You may propose alternative suggestions to him. If he accepts either alternative, he takes the first step in closing himself. This method of making the close "lets the prospect down easier" than if you should say, "Now, will you take this insurance?" The following questions will aid you in getting a decision on a minor point:

"If you were going to take out any insurance, how much would you take?"

"Do you wish to make your deposits annually or semiannually?"

"You prefer the monthly settlement to the lump sum?"

"Shall I add the disability feature?"

"Do you prefer to use your refunds to purchase additional insurance?"

"When do you wish your annuity to begin, at fifty-five or sixty?"

"Which time would be more convenient for you to see the doctor, eleven this morning or two this afternoon?"

"Do you wish to name your children as contingent beneficiaries?"

"We have two main options in the way of dividends. Some policyholders use the dividends to decrease their premium payments, but that is like withdrawing interest from the bank. Don't you think it would be better to leave the dividends on deposit at interest?"

"Mr. James, how would this deposit fit into your budget most easily, on the annual, semiannual, or quarterly basis?"

The writer cannot resist the temptation to cite one of his experiences to show the effectiveness of the alternative proposal. An Alexander Hamilton Institute salesman was urging the purchase of a set of books. The explanation of the course was instructive and the writer was particularly interested in the salesman's method of conducting the interview. It was, however, largely an intellectual interest. The salesman asked for a book (of course, with the idea of getting some action from the writer). When I returned with the book the salesman said, "Shall I send the books to the house or to the office?" I said, "You had better send them to my house."

GETTING SOME ACTION FROM THE PROSPECT

The salesman's tactics just cited show that he recognized the value of getting the prospect to do something

of a physical nature. At this stage of the sale the important thing is to transform mental activity into muscular activity. The weighing part of the brain, the brain cells which perform the act of deciding, are not the cells which need to be activated now. The motor part of the brain must be set to work and these cells will perform the act of signing on the dotted line much more quickly if some sort of action is previously demanded of the prospect in order to rouse them into activity. It is for this reason that many salesmen hand the prospect a pen and ask him to do some figuring or to write down some data before they ask him to sign his name.

When the motor cells begin functioning in imitation of the act or suggestion of the salesman, they tend to keep on with the act commenced and to finish it. It is by way of taking advantage of this tendency that some salesmen leave the application blank with the prospect and allow him to fill it out himself, since, after filling in the other spaces, he would be unlikely not to fill in that which is left for his name. Of course, this can be done only with prospects who are already carrying some insurance and are familiar with policy forms.

When you ask for the signature, a good way to make the request is to say, "Write your name here as I have written it above." You note that in this statement we have put two ideas forward—writing his name, and writing it as it is written above. This is similar to the placing of a piece of twisted paper in the ear of a horse to make him forget his balkiness. It changes his current of thought.

SOME CLOSING SUGGESTIONS

Always have some closing point that you haven't used in the interview. Bring this out when you are making the final push. Like the boy shivering on the brink of the stream, the prospect needs but a little shove to make him take the plunge. Then he will call to others: "Come on in. The water's fine!" Don't spend a lot of time summarizing your sales talk; your "last act must be short." A few good closing points are submitted:

"Do you know of any good reason why your family should remain unprotected any longer?"

"Do you realize that somebody pays for the insurance? Obligations must be paid for. If you have an obligation to your family, it will be paid for, whether you do it or not. If you fail to take out insurance, your wife and children pay for it with deprivations. Orphans' homes show clearly that the state pays obligations that should have been provided for by individuals. Obligations are paid for by somebody. If you don't carry insurance, you compel your wife to carry it."

"If you knew positively that you could not get this insurance after this month, would you take it now?"

"If some friend who was very close to you, to whom you were under great and lasting obligations, and whom you held in high regard, should be in most urgent need of a sum of money equal to this premium, you would lend it to him, would you not? Even if you had to

borrow it? You'd do this, would you not, once a year, provided the circumstances were pressing enough? Now, won't you do as much for your wife and children as you would for a friend?"

"Would you like to have the protection start immediately? Give me your check and the insurance will be in force immediately."

"Have you ever seen one of these?" (Agent lays a sample check of \$100 made out to prospect's wife.) "This contract I have been explaining will provide a negotiable check for that amount each month for her as long as she may live, and if you live to the age of sixty it will provide the same amount each month to help you to enjoy old age together."

"By the way, Mr. Prospect, I forgot to mention that, in case of your becoming disabled from any cause whatsoever, your deposits would stop and you would never have to pay any more premiums, and, in addition, the company would pay one hundred dollars to you each month thereafter so long as you live, and would pay to your wife at your death the ten thousand dollars just the same as if you had not been disabled and had continued to pay your premiums. Don't you think under the circumstances that you had better make it twenty thousand dollars and two hundred dollars per month?"

"I really should not have shown you all the advantages of having this until I knew you could get it. No

matter how good a man's health seems, there is still doubt about his condition until his blood pressure has been taken. You know after a man passes middle age his arteries have a tendency to harden. If you have hardening of the arteries, any unusual exertion may rupture a blood vessel. Before going any further I will have the doctor come up and look you over. He can see you for a few minutes about four-thirty this afternoon if that time is convenient for you."

"Mr. Stark, my company would like to see your name on this list of men carrying fifty thousand dollars of life insurance. Fifteen thousand dollars more will put you on this list."

"You admit life is uncertain. You also admit that the maintenance of your family depends upon your earning capacity—your capital. Should death destroy that capital, how would your loved ones fare? Guard against such a contingency by securing this insurance."

One fire to every 175 fire policies.

One accident to every ten accident policies.

One sickness to every five health policies.

One death to every life.

A sensible man needs no other argument.

"You can put off buying a home, an automobile, a piano, or anything else until you have the money and feel good and ready to buy; but you cannot put off getting life insurance without taking too great a risk,

for life insurance is the one and only thing that requires good health to get. You must have good health to get it and that you can never buy."

"There are only three reasons why you won't take this protection:

"The first is, you don't care for your family. (I know that isn't true.)

"The second is, you can't pay for it. (I know that isn't true.)

"The third is, you can't get it because of physical impairment. (We can quickly find this out.)"

"Now, Mr. James, this plan definitely fills your needs.

"It guarantees an income to your wife for life, in case of your premature death.

"It will take care of the old man who may some day be dependent upon you.

"It will not be a burden, but rather a source of income to you in case of total disability.

"It will provide the emergency fund you may require for unforeseen contingencies."

"Now, Mr. Brown, suppose your banker should say to you, 'Brown, I have two propositions to put up to you. I will charge you six per cent for this three-thousand-dollar mortgage on your farm, and if you die before it is paid I will be compelled to take the farm from your wife; or I will charge you seven and a half per cent on the mortgage, and if you die before you

have paid a cent of the mortgage I will give your wife a clear title to the property.' Which of these would you take?"

"Would ten thousand dollars help your widow if you were to die to-night? Yes.

"Would one hundred dollars a month help you if you were totally and permanently disabled? Yes.

"Would one hundred dollars a month for life help you after you reach age sixty? Yes.

"Could you afford —— dollars a day to put into this proposition?"

"Suppose you bought a railroad ticket from Cleveland to New York. Would you walk to Erie and get on there? Well, that is an example of what happens when you defer buying life insurance. When you do buy it you pay full rate, the higher rate of an older age. You've walked to Erie and cheated yourself out of a comfortable ride in the meantime."

(If the prospect seems to hesitate over the amount:)
"Permit me to make a suggestion. While it is true that these policies are quoted in units of ten thousand dollars, we can give you half a unit, and you can take up the balance next year, provided, of course, you can pass the required examination. Suppose we say five thousand dollars."

"Of course, when you die you can't take anything out of the world, will or no will. But if anything

should happen to you, a life-insurance policy would prevent a lot of annoyance to those whom you love.”

“In after years, Mr. Hartley, is there anything which your boy will appreciate as much as the education that this policy will provide?”

“Mr. Atherton, you know, of course, that you are allowed an exemption of fifty thousand dollars by the federal inheritance-tax laws. But did you know that forty thousand dollars additional exemption was allowed in calculating your federal inheritance tax if this money is left in the form of insurance to be paid to a designated beneficiary rather than to your estate? You would want your insurance made payable to your wife instead of to your estate, wouldn't you?”

“How would you feel if I were to hand you five thousand dollars right now? Wouldn't it be fine, a real “grand and glorious feeling,” as they say? If you begin now, it won't seem like any time at all before you do get it.”

“You certainly would rather be riding comfortably along the road of life when you are seventy than still be pulling uphill, wouldn't you? And through the provisions of this policy you can make sure that you will be.”

“In taking out a policy of this sort you are *insuring* the brains which are to *assure* your estate.”

"Mr. Craig, if you were to be taken into the operating room to-night and the doctor said that you had one chance in fifty, wouldn't you be a little worried about your family's welfare? Why not be on the safe side?"

"Mr. Drake, you have the reputation of being a man of sound judgment and exceptional business ability. Just as a form of investment, doesn't this proposal appeal to you?"

"It would seem to me that your present needs would be served best by taking this insurance on the endowment plan. Then if at any time you find you would like to change it, I shall be only too glad to assist you in getting it fixed up."

"In taking a policy of this kind, you would want the disability benefit included, wouldn't you?"

"When would it be most convenient for you to make your deposits? The date can be arranged to suit your convenience."

"If you will tell me any place where for this small amount of money you can immediately increase your estate so many thousands of dollars I will quit selling life insurance, for should there be a better investment for you I could not and would not urge you or anyone else to take out life insurance."

"Mr. Wilson, we have gone over this contract thoroughly together. Let me say, therefore, that the contract itself is its own best argument and when you see your own you will find it much more liberal than I have been able to picture to you."

THE GET-AWAY

After you have the application signed and have arranged the settlement, do no more talking. Make your get-away as quickly as you can, being consistent with politeness. Too many orders have been canceled because the salesman remained to have a friendly chat with the prospect. He is more impressed with your businesslike methods if you show him that you put a value on your time.

But all is not lost if you can't make the get-away with the signed application. In an article published in *Printers' Ink* on "The Turn-down That Leads to the Next Interview," a high-record salesman made this statement:

"If I had to get a man's signed order the first time I called on him or else lose him for good, I'm afraid I'd lose the big majority.

"The fact is, many of my best customers were men who turned me down, over and over again, until the time was ripe. I don't think that the real secret of successful selling lies so much in being able to close on the spot as in being able to keep coming without letting the prospect realize that you are drilling in."

This does not mean that just hounding the prospect at regular or irregular intervals will accomplish the result. On the contrary, the first essential in making

repeat calls is the ability to appear on the scene without making a nuisance of oneself. The average prospect does not like to be in a position where he considers himself on a card index and knows that the salesman has turned up his card that day, so is on the job to make a perfunctory call.

If your prospect shows signs of having absorbed about all he can in the way of a canvass, but isn't willing to sign the application, use your imagination to appeal to his associated interests in order to find an excuse for seeing him again and to bring the next interview just a little closer to the signed application. Anything you have read or seen will do as an excuse for leaving him with: "By the way, since you are interested in so-and-so, when I'm down this way I'll bring you a newspaper article" (magazine story, picture, or whatever you have) "which I think will interest you. Good-by."

It isn't the type of salesman who talks people into signing against their will, under a spell, as it were, only to regret it the moment the salesman is gone, who is a real source of satisfaction to his manager. It is the man who can develop business, the man who can take a turn-down and another and another, but still profit by each turn-down and, by analyzing what was the matter each time, make the turn-downs lead to the final successful close.

"The perfect sale is never closed," said one big salesman in the commercial world, and the remark is particularly applicable to the salesman in the insurance world. The tactics suggested may be used if you are sure that a successful close will be for the prospect's

own interests, but never try to use them unless you are sure. Unless the prospect's interests are your first consideration, sooner or later you will find yourself, to look at the matter from a purely selfish standpoint, with a few scattered policyholders rather than with an insurance clientele.

It is probably unnecessary to repeat here the remarks on the professional attitude which were made in Chapter II, but especially at this stage of the sale, which you must remember is more critical for your client than for you, keep clearly before you the ideals of professional life underwriting.

X

SERVICE TO POLICYHOLDERS

ANY business or any institution prospers only to the extent that it serves the public's needs, and it can serve those needs only to the extent that the persons engaged in it are interested in bending their efforts toward this end.

The life-insurance company is no exception to the general rule. The life-insurance company prospers only to the extent that it serves the needs of the public, and it can serve those needs only to the extent that, from the officials who devise the policies and invest the funds to the office boy who mails the policies and checks to beneficiaries, it bends its efforts toward accomplishing this end.

This service does not pretend to represent pure altruism any more than the efforts of the department-store management pretend to represent pure altruism in providing commodities which the customer needs, and in endeavoring to deliver those commodities to the customer as efficiently and promptly as possible. Marshall Field's "Best Service to the Customer" and the New York Edison's "At Your Service," for example, work to the benefit of the users of those commodities, certainly. But we all know the result of Marshall Field's system as far as his own interests are concerned,

and a recent statement shows that the output of current by the New York Edison is sixty times what it was before the company adopted its present plan of dealing with the public.

Probably every insurance company renders a high grade of service to the public and especially to its own policyholders. So accustomed are we, however, to consider insurance service as something which the company provides for the benefit of the public or its policyholders, or as a sort of superefficiency standard maintained by the company in the interests of its policyholders, that we usually neglect the service which the individual salesman can render.

Since it is through the agent that the policyholders come in closest touch with the company, it is, as a matter of fact, through him that personal service, which is invariably most valuable, can be rendered. Naturally, it is to the agent's own interests to see that his policyholders are satisfied. But the salesman who sees his business with broad vision cannot fail to see that there are any number of ways in which he can serve the interests of insurance in general when he sees no direct return.

There are many men, even among those who carry large amounts of insurance, who are only half-hearted in their enthusiasm about insurance because a "friend of theirs" paid a certain amount on a policy, but through carelessness let it lapse and the family received no benefit. Or another friend made tremendous sacrifices to provide adequate protection, but left the money in a lump sum which the family wasted in extravagant living.

Unless you are willing to make a point of trying to remedy cases of inadequate service which come to your attention and, with a sincere desire to help, having no ulterior motive, are willing to work in the interest of insurance as an institution, you are not a professional life underwriter, but merely an agent who sells insurance.

SUGGESTED SERVICE PLANS

Unless you keep a very accurate record of your clients' insurance status you will probably have to discuss his insurance with him in order to be of real service. And, of course, there are many insurance policyholders—holders of war-risk insurance, for example, or policyholders whose insurance was written by an agent who has left the insurance business—for whom you can render service if they will discuss their financial problems with you. In any case, you will find it advisable to write them of the purpose of your call, so that your motives may not be misunderstood.

The following letters are included, not necessarily as models to be used as they stand, but as suggested forms which may be remodeled to suit the individual policyholders to whom you are writing.

FORM LETTERS TO BE SENT TO POLICYHOLDERS

MR. WILLIAM JONES,
3000 BROAD STREET,
PHILADELPHIA, PA.

DEAR SIR:

When you became a member of the —— Insurance Company we hoped that you would look upon us not as a mere insurance company, but as a group of friends sincerely interested in your success and in your plans and problems.

“—— Service” is a very human thing and our capacity to help you is limited only by the extent to which you will take us into your confidence.

We are especially anxious to make sure that among our policyholders no insurance tragedies should occur like these which have recently been brought to our attention:

A father had denied himself for thirty years to carry \$50,000 of life insurance, for the protection of his two daughters. He died happy in the thought that they would be taken care of as long as they lived. After his death they went to Europe, and returned five years later, penniless.

Another father carried sufficient insurance for the protection of his family, but the insurance was made payable to his estate. When

he died his estate was involved, with the result that his wife and daughter were left unprotected.

Adequate insurance service would have prevented these tragedies, and in order to explain to you the various ways in which —— policies can be used to insure the carrying out of your plans, I shall call at your office on —— between —— and —— . If this hour is not convenient, will you kindly let me know?

Yours very truly,

MR. JOHN SMITH,
1214 CHARLTON STREET,
NEW YORK, N. Y.

DEAR SIR:

Do you think or do you know that the life insurance which you are carrying will do what you hoped it would?

Are your policies up to date or should some change be made in the name of the beneficiary or in the manner of settlement?

Is there any question concerning your insurance on which you would like further information?

You as a policyholder of the — Company are entitled to the most up-to-date and efficient service, and in order to give you the opportunity to take up any matters which may need readjustment I shall call at your office on — the — to talk over your insurance plans with you. If this hour is not convenient, will you kindly let me know?

Yours very truly,

PRESENT POLICIES SERVICE

1. Correct Address.

Many premium notices come back to the companies from the post office marked "Not Found." The error is sometimes due to the fact that the policyholder has failed to notify the company of a change of address. Urge him to notify the company immediately if the company requires a written request, for otherwise the policy may lapse merely through the oversight.

Errors of this sort often creep in, due to carelessness on the part of the agent in taking down an address. Be sure, if you are taking down an address for your office records or in writing an application for additional insurance, to obtain the correct and complete address. Insert the street and number and include the room number if notices are sent to a large office building. When you are making out an application, ask the prospective policyholder to verify the address.

2. Change of Beneficiary.

Over and over again we find instances where a little attention on the part of the agent would have prevented an insurance tragedy. Recently we heard of a case in which a firm believer in insurance had created a relatively large insurance estate for his wife. The wife died soon after the insurance was taken out, but, since the insurance was written on the limited-payment plan, the policyholder decided to convert it into an endowment in order to carry it as an investment for himself. He had no family, so named a niece as beneficiary. A

few years later he married again, but from day to day neglected to change the name of the beneficiary of his insurance. He was killed suddenly in an accident and the insurance estate which he wanted his wife to have, of course, was paid over to the niece.

Make a point of finding out whether any change in the policyholder's situation or circumstances would make a change of beneficiary advisable. Don't you see that any change in your client's circumstances affords you an opportunity to talk over his insurance estate with him? Is this worth anything to him? To you? If you do not know, ask if the beneficiary is still living or if for any reason the policyholder wishes to substitute another beneficiary, or if he would care to name a contingent or second beneficiary.

Newspaper notices, such as marriage, birth, and death notices, will often tell you of occurrences which would make the change of beneficiary desirable, and if you are really trying to render first-class insurance service you will not let these notices escape you, nor will you neglect to follow them up.

Always be quite certain, too, that the insured understands clearly the inheritance-tax regulations governing insurance paid to the estate and insurance paid to a designated beneficiary. In other words, if, for example, the policyholder is carrying up to \$40,000 insurance payable to his estate, be sure that he knows that the \$40,000 is exempt as insurance from the federal tax, in addition to the \$50,000 general exemption, only when the insurance is payable to a designated beneficiary.¹

¹Based on laws in effect October, 1921

3. Adjustment of Method of Premium Payments.

If there has been any change in the financial situation of a prospect which would make it possible for him to make the deposit annually rather than quarterly or semiannually, you might suggest that the annual deposit would save him effort and the amount per year be slightly less.

On the other hand, if he finds that it is not possible or convenient for him to meet the annual payment, he may be able to pay the premiums on a quarterly or semiannual basis. This service is especially valuable in stringent times.

4. Adjustment of Ratings.

An agent should keep careful records of those policies on which a higher premium rate has been charged for any cause, such as residence or travel in an unhealthful country, engagement in a hazardous or unhealthful occupation, or a physical impairment. In case the higher premium is no longer necessary, through change of occupation, for instance, it will simplify matters very much, both for your policyholder and for your company, if you will explain and see that the policyholder carries out the regulations regarding notice of change. You will find it to your advantage to adjust the ratings on your policies rather than have an agent of some other company make the adjustment.

5. Convert Term Policies to Permanent Form.

Your policyholders who are carrying "term insurance" will probably be interested in a practical plan

for converting this term insurance into permanent form. Regulations regarding term insurance differ among companies, but you should study your own company's regulations thoroughly enough to be able to suggest a practical method suited to the policyholder's financial ability. Sometimes a client is carrying a large term policy and doesn't see any way of converting it all at one time. Show him how he can convert part each year. Start him on a program of converting his term insurance.

6. Assist Policyholder to Reduce Any Outstanding Loans on Policies.

Here again it is up to the agent to work out a practical plan. Very often the suggestion of a small bank account or savings plan will solve the difficulty of laying aside sufficient funds to reduce the loan.

7. Discuss Methods of Applying Refunds.

The policyholder's needs will determine the plan, of course, but very often in taking out the policy too little thought has been given to the question and the best plan has not been selected.

8. Discuss the Settlement of the Policy.

The manner of settlement should be determined, obviously, by the object which the insured had in view in procuring the policy, but it is only necessary to watch the advertisements of trust companies which appear daily in the papers to realize that it is an acknowledged fact that much insurance does not carry out the purpose for which it was intended—especially insurance

carried for family protection. Incredible though it seems, it is nevertheless true that many persons do not know that insurance can be used to provide a life income as well as a lump sum, and you should be absolutely certain that this fact is clear to all the policyholders of your company with whom you come in contact. Have you ever discussed your company's settlement options with your clients? Try it sometime soon.

GENERAL SERVICE

1. Abstract the Policyholder's Insurance.

When a man carries a relatively large amount of insurance, this insurance usually consists of various policies taken out at various times, and often in various companies. Unless he is exceptionally systematic, however, he probably does not keep a written record of these policies. You will be serving his interests directly if you abstract his insurance for him, and there will be few policyholders who will not wish this type of service. The information that is listed in the abstract, too, gives you the cue for urging the reinstatement of policies which may have lapsed and for the discussion of the insurance program.

If the policyholder has a great many policies, you might ask him to bring them to your office or permit you to take them away so as to save his office time. If you do take them away, however, be sure to give the policyholder a receipt.

2. Reinstate Lapsed Policies.

During periods when business is booming, many policies are taken out which are allowed to lapse during

"hard times." Also, when a man's individual finances are in a prosperous state he will often take out insurance which he will drop if circumstances make it seem necessary to him to use all available cash for other purposes. It is really the duty of the agent to make him see the situation as it really is—to show him that insurance is more necessary for family or business protection in hard times than in prosperous times and that in most cases it would be better for him to increase his bank loans rather than to let his insurance lapse.

Occasionally you will find policies which have been allowed to lapse because of some misunderstanding with the company. Be sure to take the "you attitude"—to view the matter from his side of the fence. Many large commercial concerns have adopted "the customer is always right" as a slogan for dealing with complaints, starting their investigation with that point of view. In many cases the customer is in the wrong, of course, but since the investigator started out with the customer's point of view, his case is almost sure to receive considerate attention. In very few cases will you find your company in the wrong, but if your attitude is the real "you attitude," a tactful explanation of your company's general policy, carried on under the rules for "Meeting Objections," will usually clear up the misunderstanding.

3. *Help to Conserve "War-risk" Insurance.*

No more striking proof of the importance of the work of the individual salesman could be brought forward, says a recent magazine article, than the fact that nearly forty billion dollars of government insurance provided

for soldiers and sailors who served during the World War has been allowed to go out of force. This insurance, with the government of the United States behind it, issued at wonderfully low rates, has crumbled out of existence in a little more than two years because there were no agents to keep it alive.

Make every effort to urge war-risk policyholders to conserve this insurance. You can do particularly valuable work in this field, for many soldiers bought war-risk insurance under the influence of "mob feeling"—"everybody was taking it"—without considering its real value and, without giving serious thought to the matter, have let it drop. Point out the value and advantages of this kind of insurance and urge the reinstatement of policies which have lapsed whenever this reinstatement would be possible.

4. Explain the Insurance Program.

In the past much insurance has been bought like so many shares of stock or so many bonds. The idea of a program of insurance which ties up the insurance with specific needs will be entirely new to many persons—even to those who carry relatively large amounts. Show the policyholder a list of the ways in which life insurance may be used to serve human needs similar to the list at the end of the chapter on the "Pre-approach" (pp. 91-97) and suggest that he allow you to work out an insurance program for him. Go over each item on the list and check each item as it is disposed of. Obviously, it would be advisable for you to take with you a specimen program in order that the prospect may see exactly what you mean.

If the program is easy to determine, you might propose it before you leave. If it is complicated or extensive you will find it advisable to make a note of the particular policyholder's needs and to submit the complete plan later.

5. Call Attention to New Forms of Life-insurance Service.

In connection with the insurance program you will, of course, point out the various relatively new ways in which insurance may be used, such as for inheritance-tax purposes.

6. Offer Information on Inheritance-tax Rulings.

Life-insurance companies necessarily must be well informed concerning the latest rulings on inheritance taxes, and through your company it would probably be possible for you to obtain information which would be valuable for your clients. Offer to furnish the information if you can secure it from your company, but be sure that what you send is accurate and up-to-date, for you are dealing with a serious matter and misleading information might produce disastrous results.

SUPPLEMENTARY GENERAL SERVICE

1. Make a Household Budget.

In the chapter on the "Pre-approach" the making of household budgets was suggested, since often necessary insurance can be provided if family expenses are planned on this system. Some prospects may consider this suggestion very much worth while and will be glad to talk over with you the subject of their family expenses, but

many others would resent the suggestion. Be very careful in approaching this matter. If the policyholder shows the slightest hesitation about discussing the subject with you, don't go any farther. (See p. 98 for specimen budgets.)

2. Making a Will.

If during the conversation with the policyholder you find an opportunity to suggest the importance of making a will, do so, and recommend that he take up the matter with his lawyer. But this is a very delicate question and you must never force the issue.

THE SALESMAN'S OPPORTUNITY

Your company undoubtedly aims in every way to serve its policyholders, but, as we have said, definite service is most often rendered through personal contact, and it is only through you, usually, that the policyholders are brought in contact with the company. The service which your policyholders receive, then, is largely your responsibility.

Some one has said that "service is the expression of modern business ethics," and, since this service is largely your responsibility, the service which your policyholders receive is the expression of your standard of right and wrong in your relations with those with whom you are associated in a business way. Can you as a life underwriter afford to have people judge this standard to be below the highest possible mark?

Every person who keeps in touch with modern social tendencies must realize that the spirit of service is increasingly apparent in every line of activity—in the

industrial, the commercial, and the professional worlds. Nowhere, however, have greater strides been made toward the ideal than in the field of life-insurance selling. The day of the insurance agent who considers the greatest benefit to self as the only end to be achieved in selling has definitely passed. In his stead has come the life underwriter with a sincere interest and desire to serve his community.

Of course, this ideal has not been invariably realized in the case of the individual salesman. The general public, in fact, does not always rank the profession of life underwriting among the recognized professions because, through lack of knowledge or through selfish motives, the individual salesman in numerous instances fails to render real professional service. But you can see that one step farther toward the ideal is made if you are big enough to realize the importance of a spirit of service in your work—service to your community in making it possible for the members to carry out their objectives, and service to your fellow-salesmen in making your record one which will build the profession of life underwriting on a firm basis.

Ask yourself these questions: Are you adequately equipped, so far as a knowledge of life insurance is concerned, to serve the public? Does the spirit of service to others represent your attitude toward your work? Is your day-by-day selling professional life underwriting in the highest sense, with all that the term implies? Will the future you are carving for yourself make it possible for words like the following to be said of you? If you can answer in the affirmative there is no question of your success as a life-insurance salesman.

The lines of this poem picture the work of a real life underwriter, for he is the builder of human destiny:

THE BUILDER

An old man, going a lone highway,
Came at the evening, cold and gray,
To a chasm vast and deep and wide.
The old man crossed in the twilight dim;
The sullen stream had no fear for him;
But he turned, when safe on the other side,
And built a bridge to span the tide.
"Old man," said a fellow-pilgrim near,
"You are wasting your strength with your building here;

"Your journey will end with the ending day,
You never again will pass this way.
You've crossed the chasm deep and wide.
Why build you this bridge at eveningtide?

The builder lifted his old gray head.
"Good friend, in the path I have come," he said,
"There followeth after me to-day
A youth whose feet must pass this way.
This chasm, that has been as naught to me,
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim.
Good friend, I am building this bridge for him."

(Author Unknown.)

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